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has made it possible for the writer to

present this thesis to the

Administration of

Private Secondary Schools

of that department.

DEAN, EVERETT W. LOAN

For many suggestions concerning the sub-

ject and the presentation of it, the

writer wishes to express appreciation

to

by  
Robert Bitzer, B. B. A.

It is a great privilege which is appre-

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willing to give generously of his knowl-

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PROF. ALEX L. PERCY

Boston University  
College of Business Administration

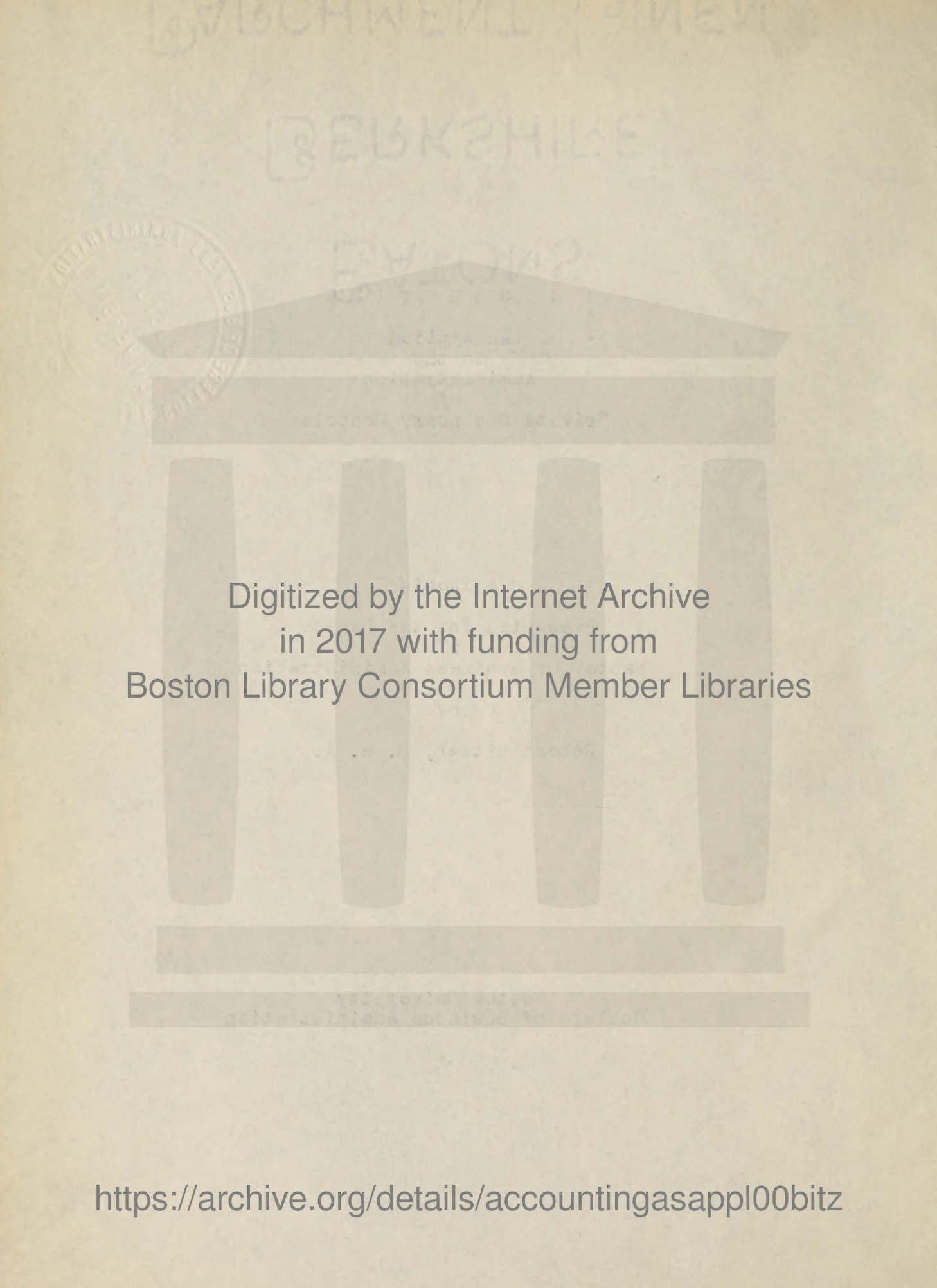
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## INTRODUCTION

A private secondary school is one which offers courses similar to those of a public school. In addition, the school offers special courses which may not be given in a public school because the private school being dependent upon the success of its graduates, the faculty is more likely to make a careful study of individual differences. The student will be directed to take such subjects as will be of the greatest benefit.

Many of the private schools serve as preparatory schools for those who plan to attend an University. Others combine university preparatory studies with vocational or art studies. In addition, there is an increasing tendency on the part of some institutions to offer junior college courses.

A large number of the better schools which formerly were purely vocational institutions, or so called business schools, are increasing their curriculum so that they may be classified as secondary schools.

This thesis takes into consideration the problem of accounting which concerns all such institutions as have been described above. It presupposes a knowledge of general bookkeeping, but it is the aim to present the accounting as applied to the administration of secondary schools so that an executive





without accounting knowledge may comprehend it.

A system of accounting for a private secondary school, while based on the general principles of accountancy, has to do with some transactions which will be recorded like similar dealings in a mercantile establishment, but others will require special treatment.

The recording should be such as to enable the officials of the institution to understand it clearly and to enable an auditor to verify the different vouchers and accounts without difficulty. It is essential that the transactions be recorded accurately and the system should be simplified so as to keep the clerical expense to a minimum.

The Principal or President of a private school conducted for profit, will usually himself, or by appointment have some one who represents him, see to it that a maximum of return is realized from the expenditures made. He, like every business man, not only considers service which will increase the reputation of his school, but as a rule, profits are paramount for his objective. Such a person is able to make changes in the administration of his institution very quickly, because it is unnecessary for him to consult a board of trustees or similar group to whom he is accountable for his acts.

The President of an institution that is endowed

---

1. Montgomery, "Auditing Theory and Practice." p. 1.





and whose activities are controlled by a Board of Trustees, has a problem much different from the executive of a privately owned institution operating for profit. The purpose for the establishment of the endowed school is for the advancement of young people in some particular field of endeavor and the executive usually has defined for him, by the charter, or by-laws, the duties necessary for him to perform in the administration of the school.

Important changes in such an organization must be considered by the governing board before becoming effective. Therefore, when the President conceives a plan which will result in an economy, it may be some time before the institution will realize the benefit. The reports and records which will aid him should be prepared carefully.

It is necessary in all cases to have accurate reports constructed in a particular form and in such detail as will enable the administrator to clearly understand how the affairs are being conducted, which will enable him to study the results of the past and by comparison of the statements of different periods, be guided in making his decisions concerning the future conduct of the school affairs.

The duties of all officials should be defined clearly by written instructions from the proper authority, and the officials in turn should give written





instructions to their subordinates, for their guidance.

All business forms,<sup>1</sup> such as orders, charge tickets, checks, etc., should be numbered in numerical order by the printer, and none of them be destroyed. Every business paper when received or sent to be checked by one other than the person making the book entry requires the initials of both persons to be placed on the paper.

The system suggested herewith, is the result of thoughtful consideration of suggestions made by officials of private schools and what little information of a special nature is available in a few books.

The size of such an institution and the equipment will be governed to a large extent by the amount of capital furnished by the proprietor personally, or for whatever he may be able to receive credit.

This form of organization has the advantage of applying without delay, changes in the conduct of the institution, because the proprietor may conduct his school independently, not being obliged to have his plans approved by others.

The faculty in such an institution is likely to render efficient service and to have in mind the future enrollment depends upon what the institution gives to the students. It is important to select carefully the members of the faculty, so that they

---

1 Bowman and Percy, "Prin. of Bookkeeping and Business", Elem., p. 164.

2 Carstenberg, "Financial Organization and Management", p. 45.





## ORGANIZATION OF INSTITUTION

A secondary school may be organized<sup>1</sup> as follows:

Individual Proprietorship.

Partnership.

Corporation.

(a) Stock Company, sharing profits.

(b) Non-profit Sharing Corporation.<sup>2</sup>

An institution conducted by an individual proprietor would be operated chiefly for profits, however, its success would depend upon the service rendered.

The size of such an institution and the equipment will be governed to a large extent by the amount of capital furnished by the proprietor personally, or for whatever he may be able to receive credit.

This form of organization has the advantage of applying without delay, changes in the conduct of the institution, because the proprietor may conduct his school independently, not being obliged to have his plans approved by others.

The faculty in such an institution is likely to render efficient service and to have in mind the future enrollment depends upon what the institution gives to the students. It is important to select carefully, the members of the faculty, so that they

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1 Bowman and Percy, "Prin. of Bookkeeping and Business." p. 165.

2 Gerstenberg, "Financial Organization and Management." p. 45





may aid the proprietor to solve problems which require careful consideration.

However, the institution in general, is likely to be the reflection of its proprietor and a well qualified and active person will be the proprietor of a high-class school.

The partnership form of organization, consisting of two or more persons, is one which is similar in aim to the individual proprietorship, but profits are divided according to the partnership agreement, or equally, if no agreement is made concerning profits.

Like any partnership form of organization, the articles of copartnership should be prepared carefully by an experienced attorney of high standing, so that the duties, salary, share of profits, etc., of each partner will be defined clearly.

It is advantageous for one to have an efficient and reliable partner when important matters must be considered, as it relieves an individual of much responsibility, if he can share the burden of administration. There are added advantages of being able generally to have greater capital contributions as well as to be able to devote some time to instruction in the class room.

The private school proprietors should endeavor to meet their students frequently and observe their





progress, making helpful suggestions whenever possible. It is important for the private school proprietors to make the students realize that the institution is interested in their welfare and to be sure each student is interested in the subjects chosen.

The organization known as a corporation, if a stock company, will have profits as a primary aim and will be conducted similar to the individual or partnership forms, provided it is a close corporation, i. e., if nearly all of the stock is owned by one or a very few persons.

The corporation organization makes it possible to acquire more capital by the sale of stock. However, if there are many stockholders, the institution is likely not to have the personal interest of an individual or partnership form of organization. There is a great advantage in the corporation organization because the liability of the stockholders is limited to the amount invested in the business.

The life of a sound institution is more certain, if a corporation, it making no difference as to the existence of the institution, if a stockholder wishes to transfer his stock or dies. A change of ownership which might take place in an individual proprietorship or partnership form of organization, might cause the school to close.

The management of a corporation, if many stockholders, might be influenced more or less by those





lacking a complete knowledge of the problems of the institution.

The official organization will consist of a Board of Directors elected by the stockholders. The Board of Directors will elect the officers, i. e., the President,<sup>1</sup> Vice President,<sup>2</sup> Secretary,<sup>3</sup> Treasurer,<sup>4</sup> or such other officers who will administer the affairs of the corporation. The duties of each officer will be defined and it will be the duty of each officer to report at stated times, the progress and condition of affairs for which they are responsible.

The organization of a non-profit corporation is controlled by a Board of Trustees who perform their duties in accordance to the regulations of the charter or by-laws, and they appoint the officers to administer the affairs of the school.

The organization would be probably as follows: President, Vice President, Clerk, and Treasurer. The Treasurer being responsible for the financial transactions and the recording of them.

The Executive Board<sup>5</sup> appointed by the Trustees would consist of the officers named above together with a number selected from the Board of Trustees. The total number on the Executive Board should be an odd number of persons.

A budget<sup>6</sup> is prepared annually by the President who submits it to the Executive Board for their con-

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1,2,3,4. Gerstenberg, "Financial Organization and Management." pp. 87,88,89.

5. " " p. 96.

6. " " p. 441.





sideration. The Executive Board makes the suggestions which are considered necessary, and then the budget as finally approved is used as a basis for the financial activities of the institution, during the following fiscal year.

The organization of the school officials will consist of the President, Secretary, Treasurer, Dean, and Department Heads, for educational and property departments.

The general office will be in charge of the Treasurer and Secretary, the Treasurer being responsible for the financial records and the Secretary for other duties. Each official will confine his authority to such persons and matters as are assigned to him and when he wishes the services of an individual in another department, he will make the request of the person in charge of it.

The information desk will be near the reception room and entrance, no visitor to be allowed to go beyond the desk without permission. The registration and students' record office will be in the office near the information desk. The Treasurer's office where the recording and all financial matters receive attention, will be next to the registration office. The office of the President and Secretary will adjoin that of the Treasurer.

The office of the Dean will be next to that of the





President. Each department head will have a room assigned where desks will be provided for the members of his faculty.

A book containing a record of the business transactions and a general report of each meeting of the Board of Trustees, is kept by the Clerk.

An Executive Board minute book containing a general report of each meeting of the Board, and clearly defining all transactions as approved by the Executive Board, is kept by the person serving as their Clerk.

All instructions, including authorization to act for the institution, must be presented in writing by the Clerk of the Executive Board, to such person who is to represent the institution in the performance of any service for which such person is chosen.

The books for recording the financial transactions of the Institution shall consist of a General Journal, Cash Journal, Purchases and Expense Journal, Students' Tuition and Charge Journal, General Ledger, Creditors' Ledger, and Accounts Receivable Ledger. Registers for recording insurance policies, investments, notes, and fixed assets may be used also.

#### GENERAL JOURNAL:<sup>2</sup>

The General Journal will be of the four-column type; two money columns at the left of the space provided to write the names of the accounts and explanation and two money columns at the right.

1. Becker and Perry, "Accounting and Auditing," 1914, p. 100.

2. "Also Appendix, page 95."





## BOOKS USED

A minute book<sup>1</sup> containing a record of the business transactions and a general report of each meeting of the Board of Trustees, is kept by the Clerk.

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GENERAL JOURNAL:<sup>2</sup>

The General Journal will be of the four-column type; two money columns at the left of the space provided to write the names of the accounts and explanation and two money columns at the right.<sup>1</sup>

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1. Bowman and Percy, "Bookkeeping and Business." Adv. p.247.  
 2. " " " " " " p.35.

<sup>2</sup> See Appendix page 95





All transactions must be explained clearly. The columns at the left will be headed; 1. Accounts Payable, 2. General; the two at the right, 3. General, 4. Accounts Receivable.

In this journal will be recorded all transactions for which no special journal is provided, including opening, adjusting, closing and reversing entries. In addition, a description of important events which may or may not include financial transactions should be recorded, if no other record book is provided for the purpose.

Items received, other than cash, from these students' CREDITS--NOT CASH ITEMS.

If a student's account is to be credited for an allowance, overcharge, or some other item than cash received from the student as part or whole payment of tuition, the name of the account receiving the value is debited; the amount being placed in column 2. General, and the student credited, the amount being placed in column 4., Accounts Receivable.

OTHER DEBTORS' CREDITS--NOT CASH ITEMS.

Others indebted to the school and who give an item other than cash, ( or if an allowance is made to them for items returned to the school), if there is an individual account for them in the Accounts Receivable Ledger, will have an entry made crediting them





similar to Students' credits; the proper account being debited.

Items, allowances, overcharges, or items other than

#### OTHER DEBTORS' CREDITS--NOT CASH ITEMS.

Others indebted to the school and who give an item other than cash, and have no individual account in the Accounts Receivable Ledger, will have an entry made for the transaction as follows: The proper account will be debited for the item received, or allowance made in column 2. General and the person will be credited, the amount being placed in column 3. General.

Items received, other than cash, from those indebted to the school as students or otherwise and which items are considered as expenses or purchases for the operation of the institution, will be entered in accordance to instructions under the Purchases or Expense Register.

#### ADJUSTING ENTRIES.

#### CREDITORS' DEBITS.

If an account is kept for a creditor in the Accounts Payable Ledger, returned items, allowances, overcharges, or items other than cash given to them, are to be recorded as follows: The person will be debited and the amount placed in column 1. Accounts Payable, and the item or allowance credited, the amount being entered in column 3. General.

debit amount to be entered in column 2. General, and





When an account for the creditor is not in the Accounts Payable Ledger, the entry made for returned items, allowances, overcharges, or items other than cash given to them, the record will be as follows: The person will be debited and the amount placed in column 2. General, and the item credited in column 3. General.

Tuition allowed creditors for a school debt, will be entered in accordance to instructions under the Students' Charge Book.

#### OPENING ENTRY.<sup>1</sup>

The accounts affected by this entry will be debited and credited in the General Journal. The debit amounts to be entered in column 2. General and the credit amounts in column 3. General.

#### ADJUSTING ENTRIES.<sup>2</sup>

The accounts affected by these entries will be debited and credited in the General Journal.<sup>4</sup> The debit amounts to be entered in column 2. General and the credit amounts in column 3. General.

#### CLOSING ENTRIES.<sup>3</sup>

The accounts affected by these entries will be debited and credited in the General Journal.<sup>2</sup> The debit amounts to be entered in column 2. General, and

<sup>1</sup> See Appendix page 95

<sup>2</sup> See Appendix page 95

1, 2, 3. Bowman and Percy, "Prin. of Bookkeeping," Adv. pp. 132, 156, 159, and 218.





the credit amounts in column 3. General.

### REVERSING ENTRIES.<sup>1</sup>

The accounts affected by these entries will be debited and credited in the General Journal.<sup>1</sup> The debit amounts to be entered in column 2. General, and the credit amounts in column 3. General.

### GENERAL INSTRUCTIONS .

Whenever a special journal is not provided for the recording of a transaction, the General Journal<sup>2</sup> is used. If a person is debited and he has an account in the Accounts Payable Ledger, use column 1. Accounts Payable. If a person is debited and he has no account in the Accounts Payable Ledger, use column 2. General.

If a person is credited, and he has an account in the Accounts Receivable Ledger, use column 4. Accounts Receivable. If a person is credited, and he has no account in the Accounts Receivable Ledger, use column 3. General.

Double lines are drawn across the money and folio columns on the line below the single ruling, leaving the space provided for the names of the accounts and explanation.

---

1 Bowman and Percy, "Prin. of Bookkeeping and Business." Adv. p. 159.

2. See Appendix page 95





## SUMMARY OF COLUMNS AND POSTING.

Column 1	Column 2	Column 3	Column 4
Accounts Pay- able, Dr.	General Dr.	General Cr.	Accounts Rec- eivable Cr.
Amounts charg- ed to creditors who have an in- dividual account in the Accts. Payable Ledger.	Amounts charged to creditors who have no individual acct. in the Accts. Pay. Ledger.	Amounts credited to debtors who have no acct. in the Acct. Receivable Ledger.	Amounts credited to students.  Amounts credited to other debtors who have an acct. in the Accounts Receivable Ledger.
Amounts charge ed to vouchers payable, if no accts. payable ledger.	Sundry Items	Sundry Items.	
<u>Name of Acct. Debited.</u>	<u>Name of Acct. Debited.</u>	<u>Name of Acct. Credited.</u>	<u>Name of Acct. Credited.</u>
Footing Debit to Accts. Pay- able or Voucher Payable, in General Ledger.	Footing is not to be post- ed.	Footing is not to be posted.	Footing Credited to Accounts Rec- eivable in the General Ledger.

## CLOSING THE GENERAL JOURNAL.

A single line is drawn across the money columns only, on that line where is written the last word of the explanation. Do not rule the line across the space provided for the names of the accounts and explanation.

Double lines are drawn across the money and folio columns on the line below the single ruling, leaving the space provided for the names of the accounts and explanation open.<sup>4</sup>

Add the amounts in all columns, placing the figures

1. See Appendix page 95





on the double rulings. The sum of the totals of columns 1 and 2, will equal the sum of the totals of columns 3 and 4.

Post the total of column 1, to the Accounts Payable or Vouchers Payable control account in the General Ledger. If an Accounts Payable subsidiary ledger is used, the amount will be posted to the Accounts Payable control account in the General Ledger.

Post the amounts in the General columns separately, do not post the totals of those columns--2. Dr. or 3. Cr.

Post the total of column 4. Accounts Receivable, to the Accounts Receivable account in the General Ledger, as a credit.

#### POSTING TO THE ACCOUNTS PAYABLE LEDGER.

Post each item in the Accounts Payable column. 1, to the individual accounts in the Accounts Payable Ledger, as a debit.

#### WARNING.

Post each item on the line with "A.P.-Name of Account" which is entered in the General column, 3, to the individual account as a credit, in the Accounts Payable Ledger. This means that the particular amount has been posted twice-- first to the controlling account in the General





Ledger and also to the individual account in the Accounts Payable Ledger.

#### POSTING TO THE ACCOUNTS RECEIVABLE LEDGER.

Post each item in the Accounts Receivable column, 4., to the individual account as a credit, in the Accounts Receivable Ledger.

#### WARNING.

Post each item on the line with "A.R.--Name of Account" which is entered in the General column 2., to the individual account as a debit in the Accounts Receivable Ledger.

#### CHARGE SLIPS.

All items to be charged to students must be reported to the office on a proper charge slip.<sup>1</sup> All charge slips will be numbered by the printer, none are to be destroyed. They are to be written in duplicate, the original to be sent to the office.

The letter assigned to a department will precede the number of the slip which will have a series of numbers beginning with 1, for each department.<sup>2</sup>

The slip should contain the name of the school, the date, the name of the department with its assigned letter, name of the student written in full and her

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<sup>1</sup> See Appendix page 96

<sup>2</sup> See page 49





address, the item to be charged clearly described, and the slip should be signed by the student. The director of the department for which the charge is made, must sign the slip also. The proper official will approve the charge before the bookkeeper makes an entry for it. The bookkeeper will write entered with her initials after the entry is made in the Charge Journal. After she has written that on the slip, it will be filed.

STUDENTS' CHARGE JOURNAL.<sup>1</sup>

All charges for tuition and other services will be recorded in the Students' Charge Journal, a columnar book of at least ten columns.<sup>4</sup> The first column will contain the total amount of the ticket or slip for which the student is to be charged. The second column will contain the amount of tuition prepaid; the third, the amount of room rent; the fourth, the amount charged for meals; the other columns to be used for other items such as laundry, music, etc., which are to be charged to the students. The last column is to be used for amounts which are infrequent and this column will be headed Sundries.<sup>2</sup>

The space provided for the name of the account, whenever a charge is made for a sundry item, will have written in it the name of the student, in the usual manner, and on the next line below, will be indented the name of the account to be credited for the amount

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1 Rittenhouse, "Elements of Accounts." p. 192.

1 See Appendix page 97

2 See Appendix page 97





in the sundry column. For example, if a student receives gasoline from the garage for her car, the entry will be:

A Lady Student      the General Ledger.

I 2--Gasolene.

The amount will be entered in the first column for A Lady Student and in the last column for the value of the gasolene. Any items provided to the students, for which no special column is allowed for the entry and which items are property of the school, will be credited in the Sundry column.

The amount entered in the first column will be equal to the sum of the amounts in the other columns.

#### RULING.

To close this Journal at the end of the month, draw a line on the same line on which the last amount is written, across the money columns only, and on the next line below it, double lines.<sup>1</sup> Do not rule lines across the space provided for the name of the account.

Add the amounts of all the columns and write the totals on the double lines. The addition may be proved by cross adding the columns. The first column footing will be equal to the sum of the other footings.

#### POSTING.

The accounts of the students in the Accounts Receivable Ledger should be debited for each amount in

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<sup>1</sup> See Appendix page 97





the first column. The names of the accounts indented in the space for the name of the account, will be credited for the amount in the General Ledger.<sup>1</sup>

#### WARNING.

If the amount in the sundry column is posted to a controlling account in the General Ledger, be sure to post a like amount to the proper account in the Subsidiary Ledger.

The footings of the remaining columns will be credited to the proper accounts in the General Ledger.

#### REQUISITIONS.<sup>2</sup>

Requisitions are to be written in duplicate and the original sent to the office where it must be approved before an order is written.<sup>2</sup> The requisition will contain the department name and number, date, name of firm from whom item is to be purchased, date article should be delivered, and a clear description of the article. It must be signed by the person wishing for the article and approved by the director of the particular department.

#### ORDERS.<sup>3</sup>

The orders are to be written after the requisitions are properly signed and approved by the proper official in the office.<sup>3</sup>

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1 See Appendix page 108

2 See Appendix page 96

3 See Appendix page 98

3. Rittenhouse, "Elements of Accounts." p. 181.  
p. 182.





The orders will be numbered by the printer, none are to be destroyed, and all orders are to be written in duplicate.

The orders will contain the name of the school, the date, name of vendor and his address, when delivery is to be made, how to ship, terms, and a clear description of the items ordered. The name of the department with the requisition number must also appear on the order. The person who wrote the order will sign it. The person in the office who approved the requisition should approve the order also.

#### RECEIVING SLIP.<sup>1</sup>

When the articles ordered are received, the proper person will immediately check his duplicate requisition, if the quality and quantity are as ordered. He will then send a signed received slip to the office, describing the articles received, date received and the condition of the articles. This slip will have written on it the number of the requisition to which the items apply.<sup>2</sup>

#### INVOICES.<sup>2</sup>

When the invoices are received, they will be checked concerning quality and quantity as described on the received slip,<sup>2</sup> this in turn being compared with the order. The prices will be verified by the proper

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<sup>1</sup> See Appendix page 98

<sup>2</sup> See Appendix page 98

2. Montgomery, "Auditing Theory and Practice." p. 337.





official in the office who by proper notation will authorize the bookkeeper to prepare a Voucher Jacket, re-check the extensions and total of the invoice, and record the Voucher Jacket in the Purchases and Expense Register. The bookkeeper will write her initials on the proper part of the invoice for the checking of the amounts and the preparation of the Voucher Jacket.

#### VOUCHER JACKET.

All payments are to be made by check, other than minor items which will be paid in currency from the Imprest Fund. Checks will be issued only upon presentation of a Voucher Jacket<sup>1</sup> approved by the Treasurer and one other responsible person. Arrangement should be made with vendors to allow a discount on all bills paid five days after the last day of each week when invoice is dated. This will make it unnecessary for the Treasurer to sign checks at times when it is inconvenient for him, but will enable him to sign all checks for vendors on Thursday of each week.

The Voucher Jacket will be prepared by the bookkeeper who will attach the invoices to it and these papers will remain attached until the Treasurer writes a check.

The Voucher Jacket will have on it, the name of the school, the number, date, name and address of the ven-

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1. Bowman and Percy, "Prin. of Bookkeeping and Business", p. 300.

1 See Appendix page 99





dor, terms, when due, and a description of the invoice. On the back of the Voucher Jacket<sup>1</sup> will be written the name of the vendor, date of bill, amount, discount allowed, amount of check, check number, number of voucher, and date paid. The distribution of the amount of the Voucher Jacket will be written also on the back of the Voucher Jacket, that is, the department and the account of the department to be charged.

Voucher Jackets will be prepared weekly and include all invoices issued from any one vendor, during that week. For example, if one purchase is made every day during the week from a certain vendor, the invoices are filed when received and then at the end of the week, are listed and distributed on one Voucher Jacket. When the Voucher Jacket is completed as to the listing of the invoices and the distribution of the amount on the back of it, it is recorded in the Purchases or Expense Register.

## PURCHASES OR EXPENSE REGISTER.<sup>2</sup>

This register<sup>2</sup> is for the recording of all Voucher Jackets which contain the information stated above. The record will consist of the date of entry, name of the account payable, the Voucher Jacket number, the total amount of the Voucher Jacket, date of payment, followed by a sufficient number of columns to provide

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2. Bowman and Percy, "Prin. of Bookkeeping and Business." Adv. p. 303.

1 See Appendix page 99

2 See Appendix page 100





for the different departments, the last column will provide for sundry items.

The department columns will be headed by the letter assigned for the department and its name, i. e.,

A	B
General Administrative	Buildings and Grounds, etc.

The accounts provided for the sub-divisions of the departments are numbered and the number is placed at the left of the amount or amounts distributed as follows:

1934: Name of	: No. of	: Total	: When	: A	: B
Jan.: Account	: Voucher	: Amount	: Paid	: Gen. Adm.	: Bld. & Gds
1 John Hollis	1	300.-	Jan. 11	14-150	14-150

The example given above is an entry for the payment of insurance. The total bill being for \$300.-; \$150.- applicable to General Administrative, and \$150.- to Buildings and Grounds.

The sum of the amounts in the department and sundry columns, will equal the amount entered in the total amount column.

When an item is entered for which no department column is provided, the name of the account and the amount is recorded in the space provided for Sundry items.

Credit Memoranda for allowances or returns will be entered in the proper columns with red ink, and if an Accounts Payable Ledger is kept, the proper account will be debited. The credit memorandums must be filed





with the unpaid bills due the vendor, so that a proper deduction may be made when the next Voucher Jacket is prepared, on the back of the Jacket. In the "When Paid" column, write the date of check when payment is made and also "Cr. Mem.--Date". That will indicate that the amount of the Voucher Jacket was paid partly by check and the balance a credit.

#### RULINGS.

At the end of the month, a line is drawn across all money columns on the line on which the last amount is written. Double lines are drawn on the next line below, across all money columns and also from the left hand edge of the page to the Name of Account space.

The columns will be totaled and may be checked by adding the footings of the department and sundry Pay-columns which should equal the footing of the amount column.

#### POSTING.

Vouchers Payable or Accounts Payable account in the General Ledger will have posted to it, the total of the amount column as a credit. The totals of the department columns will be posted as debits to the proper department accounts in the General Ledger. The Sundry column items will be posted separately, by debit-





ing the account named in the Sundry Items space.

ACCOUNTS PAYABLE LEDGER.

It may be desirable not to use an Accounts Payable Ledger, because the Purchases and Expense Register will contain the names of all creditors and the amounts due to them, and when payment is made, the date of payment written in the proper column of that book will indicate the settlement of indebtedness. The sum of the items having no payment date entered on the line provided for the name of the vendor, will enable the bookkeeper to report the amount of Accounts or Vouchers Payable. A schedule of these unpaid items with the names and amounts must be prepared at the end of each month, when the trial balance is taken. The total of the unpaid items should agree with the balance of the Vouchers Payable control account in the General Ledger.

Many times a Voucher Jacket includes more than one invoice from the same vendor and for that reason, it may be desirable to have an Accounts Payable Ledger, in which will be recorded the individual invoices from each vendor.

If no Accounts Payable Ledger is used, the controlling account for dealing with vendors, in the General Ledger should be named Vouchers Payable<sup>2</sup> and after the Voucher Jacket is recorded in the Purchase or Expense Register, the item will be called thereafter, a Voucher

1. Bowman and Percy, "Prin. of Bookkeeping and  
2. " " Business." Adv. p. 108

1 See Appendix page 100





Payable rather than an Account Payable.

### EXPENSE DISTRIBUTION BOOK.<sup>1</sup>

One page having several columns will be used for each department, for the purpose of distributing the items in the various columns in the Purchases or Expense Register.

Each department column of each page in the Purchases or Expense Register will be analyzed and the total of similar items under each department will be entered in the proper sub-division columns in the Distribution Book. One line in the Distribution Book will have written on it the several totals from each page in the Purchase or Expense Register. If ten pages are used in the Purchases or Expense Register to record the purchases for the month, ten lines will be used for the recapitulation on each page allotted in the Distribution Book, for the different departments.

A space will be provided for the date, the Purchase or Expense Register page number, Total amount, and a column for each Sub-Department account.

The page will have placed at the top, the letter and name of each department and over every sub-title will be written its proper number.<sup>2</sup>

The first column will have entered in it, the total of the proper Department column in the Purchases or Expense Register, and that amount will be distributed

1. Bowman and Percy, "Prin. of Bookkeeping and Business." Adv. p. 303.

1 See Appendix page 101  
2 See Appendix page 101





to the proper columns headed with the Sub-Account names.

Example: If the total of the General and Administrative column on page one of the Register were \$600.- and the amount consisted of 2--\$100.-being entered twice; 3--\$100.- being entered once; 4--\$50.- being entered twice, the Distribution Book entry would be;

A--General Administrative

Register:	Total :	2 :	3 :	4 :
Page :	:	Office Sup.:	Printing :	Business Service:
1	\$600.-	\$200.-	\$300.-	\$100.-

#### RULING.

At the end of the month, a single line is drawn on the line on which is written the last amount, across all the money columns. Double lines are drawn on the next line below, across all money columns and from the left-hand side of the page to the space allowed for the name of book and page number.<sup>4</sup> The total of the first column will be equal to the sum of the others.

#### POSTING.

The total of the first column is posted to the Ledger Balance Account in the Expense Ledger on the first or last page of the Ledger, as a credit. The footings of all other columns are posted to the proper expense accounts in the Expense Ledger, as debits. Each account in the Expense Ledger has its number written above the title, e. g., Printing.

1 See Appendix page 101





CASH RECEIPTS JOURNAL.<sup>1</sup>

The amount of all cash items, currency, checks, bank drafts, stamps, P. O. Money Orders, Express Money Orders, credits allowed by the bank, or items which the bank will accept and give credit for, will be entered in this book.<sup>2</sup> All items received and entered in this Journal must be deposited in the bank.

Whenever notes<sup>2</sup> are discounted at the bank for the purpose of securing money for current expenses, the face of the note, the amount of credit allowed for an interest-bearing note, and the amount charged by the bank for discounting a non-interest bearing note will be recorded, in this Journal. The notes discounted may be those of the Institution known as Notes Payable, or notes of others known as Notes Receivable. At times, when there is an abundance of cash on hand and securities are purchased as a temporary investment, a special account should be kept for such items.

This Current Investment account to be debited when the securities are purchased and credited when the cash is received for the sale of them.

It is desirable, whenever possible, to arrange with the bank for permission to over draw on the firm's account for which overdrafts the bank will charge interest. This is advantageous because it makes it unnecessary to borrow more than what is required for immediate needs.

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1 See Appendix page 102

1. Bowman and Percy, "Prin. of Bookkeeping and Business." Adv. p. 37.  
 2. Gerstenberg, "Financial Organization and Management." p. 160.





A space will be provided for the date, the name of the account from which the cash was received, explanation, ledger folios, Accounts Receivable, General, Interest and Dividends, Discount, and Net Receipts columns.

All charges for services or any item the students or others receive, will be reported on a charge slip, whether paid for in cash at once, or to be treated as a charge. The slip will be recorded properly in the Students' Charge Journal.

Therefore, all cash received for services or other items sold, the record of sale being on the Students' Charge Journal, will be treated as an Accounts Receivable and when paid for, the amount will be written in the Accounts Receivable column.

The amount of cash received for items not charged to a person in the Students' Charge Journal, will be entered in the General column.

The amount of cash received for interest on securities or dividends on stock, will be entered in the column headed Interest and Dividends.

Whenever an allowance is made at the time cash is received, the amount is to be entered in the Discount column. If the item is an allowance for services not rendered by the school and which was previously charged, in the Students' Charge Journal, such amounts should be totaled at the end of the month and the proper income





account debited, the balance of the Discount column will be posted as a debit to the Discount account in the General Ledger.

The last column will contain the actual amount of cash received and every cent must be deposited in the bank.

At the end of every day a report must be presented to the Treasurer, showing the balance of cash at the end of the previous day, the cash receipts for the day, and the cash payments. It should contain also a list of the items which go to make up the balance.

CASH REPORT

JANUARY 1, 1935

Balance, December 31, 1934	\$20000.-
Add- Receipts for Jan. 1, 1935	<u>5000.-</u>
Total	\$25000.-
Less- Payments for January 1, 1935	<u>6000.-</u>
Balance, January 1, 1935	<u>\$19000.-</u>

#### ANALYSIS OF CASH ITEMS

Bills	\$ 300.-
Silver	100.-
Checks	400.-
In Bank, per Check Book	<u>18200.-</u>
Total	<u>\$19000.-</u>





The balance of the cash books should be written in short of the money columns in the Cash Receipts Journal, under and touching the line on which the last entry for the day was made.   
 RULING.

At the end of the month, draw a line across the money columns only, on the line on which the last amount was written. Draw double lines on the next line below, across all money columns and from the left-hand edge of the page to the space provided for the name of the account and explanation.

Write the total of each column on the double lines. The sum of the totals of the Discount and Net columns will equal the sum of the other columns.

Analyze the Discount column, if it contains items other than cash discount and write the different totals for the items in the Discount column, under the double rulings.

#### POSTING.

Post each item separately that is entered in the Accounts Receivable column, to the proper account in the Accounts Receivable ledger, as a credit.

Post each item separately that is entered in the General column, to the proper account in the General





Ledger, as a credit.

#### WARNING.

If an item in the General column is received from a creditor for overpayment or otherwise, the space for the name of the account will contain "A. P.--Name", if an Accounts Payable Ledger is used. In such a case, be sure to post the amount first to the person's account in the Accounts Payable Ledger and also to the controlling account in the General Ledger. If no Accounts Payable Ledger is used, the item will be recorded as a Voucher Payable item and be posted to the controlling account only.

Post the total of the Interest and Dividend column as a credit to the Interest and Dividend account in the General Ledger.

After the Discount column has been analyzed, post the total to the Discount account in the General Ledger for such an amount as is discount, as a debit, and debit such other accounts for the totals which apply to them.

The total of the Accounts Receivable column will be posted to the credit side of the Accounts Receivable account in the General Ledger.

The total of the General column is not posted.

The total of the Net Receipts column is posted as a debit to the Cash account in the General Ledger.





# WARNING. *Amount of Voucher Payable, Cash Disbursement*

Be sure the total of the Net Receipts does not include the balance as of the beginning of the month, as that balance is already in the ledger account.

At the end of the month's work, in the Cash Receipts Journal, a reconciliation of the balance of the cash in the office and the Check Book balance with the balance as shown by the Cash Journals, should be prepared, i. e., the balance as shown in the Cash Journal at the beginning of the month plus the receipts for the month minus the payments for the month. This statement should be prepared and presented to the Treasurer.

## CASH PAYMENTS JOURNAL.

Cash payments will be made by check and no check will be issued without a Voucher Jacket properly approved, stating the amount of the check to be issued.

Checks<sup>2</sup> of the voucher type are to be signed by an officer of the institution as well as by the Treasurer.

All checks are to be numbered by the printer and none are to be destroyed.

Petty cash payments will be provided for by an Imprest Fund.

The Cash Payments Journal<sup>1</sup> will have a space provided for the Date, Name of the Account, (Folio column, if an Accounts Payable Ledger is used); columns for Check

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1. Bowman and Percy, "Prin. of Bookkeeping and Business." Adv. p. 308.

1 See Appendix page 103

2. Bowman and Percy, "Prin. of Bookkeeping and Business." Adv. p. 302.





Number, Amount of Voucher Payable, Cash Discount on Purchases, and Net Payments.

Three columns following the Net Payments column, will be used for the bank record. The first column for Deposits, the second for Checks drawn, and the third for the Balance.

All charges by the bank on the Bank Statement, should have a Voucher Jacket made for them, a check should be issued and the signature cancelled, as the check will not be sent to the bank. Write on the check, the items paid for, referring to the particular bank statement. The Voucher Jacket will be recorded in the Purchase and Expense Register and the amount of the check entered in the Cash Payments Journal.

Entries are to be made in the Cash Payments Journal from the checks, on which will be written the date, voucher number, name of vendor, total amount due, the amount of discount, and the net amount of the check.

The total will be entered in the first column, the discount in the second, and the net amount in the third column.

#### RULING.

Draw a line across all the money columns on the line on which the last amount is written, and on the next line below, double lines will be drawn.<sup>1</sup>

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1 See Appendix page 103





Add all the columns and write the footings on the double lines. The sum of the second and third columns will equal the first, and the sum of the fifth and the last item in the sixth will equal the fourth.

# POSTING.

Post the footing of the first column to the Debit side of the Accounts Payable or Voucher Payable account in the General Ledger. If an Accounts Payable Ledger is used, post the items in the first column separately to the proper account in that ledger, on the Debit side.

The total of the second column, headed Cash Discount on Purchases, will be posted to the credit side of that account in the General Ledger.

The total of the Net Payments column will be posted to the credit side of the Cash account in the General Ledger.

## BANK AND CHECK BOOK RECONCILIATION

DECEMBER 31, 1934.

Balance per Bank Statement	\$10,000.-
Add--Deposits not entered by bank	500.-
Total	\$10,500.-
Less-- Checks Outstanding:	
No. 1260	\$100.-
1270	200.-
1280	300.-
1290	200.-
Total checks outstanding	\$800.-
True Check Book Balance	\$9,700.-





RECONCILIATION OF CASH BOOK BALANCE  
to  
CASH IN OFFICE AND CHECK BOOK BALANCE

DECEMBER 31, 1934.

Balance per Cash Journal, Dec. 1, 1934	\$10000.-	
Add--Cash items received during the month of December, 1934	<u>25000.-</u>	
Total		\$35000.-
Less--Cash Payments		<u>16000.-</u>
Balance per Cash Journal, December 31, 1934.		<u>\$19000.-</u>

PROOF.

Cash items in office	800.-	
Check Book Balance	<u>18200.-</u>	
Total Cash in Office and True Bank Balance		<u>\$19000.-</u>

The Bank Statement must be verified promptly, and a reconciliation of it to the Check Book Balance, written in the Check Book or in the Cash Journal.

BANK AND CHECK BOOK RECONCILIATION

DECEMBER 31, 1934.

Balance per Bank Statement	\$10000.-	
Add--Deposits not entered by bank	<u>9000.-</u>	
Total		\$19000.-
Less-- Checks Outstanding:		
No. 1260	\$100.-	
1270	200.-	
1293	250.-	
1299	<u>250.-</u>	
Total checks outstanding		800.-
True Check Book Balance		<u>\$18200.-</u>





# IMPREST FUND BOOK.'

The petty cash payments will be recorded in a columnar book'with a space provided for the date, name of person paid and the name of the account for which payment is made. The first column will be used for entering the amount of the check issued for the Imprest Fund. This check is to be issued after a Voucher Jacket has been completed properly.

The person in charge of the petty cash payments will take the check to the bank and receive currency for it and that currency will be kept separate from other cash.

The second column will be used for recording the total amount on each petty cash slip signed by the payee, the columns following will have headings for items necessitating frequent payments, and the last column will be for sundry items that have no special column provided for them. The names of these accounts will be written immediately after the name of the payee in the space provided.

## EXAMPLE:

Date:		:Imprest	:Amt.	: Express:	Post :
1934:	Name of Acct.	:Fund	:Paid	: Freight:	age Sundry.
Jan.1	Check No, 50-Cash	100.-			
	1 John Hall Express		10.-	10.-	
	2 John Lee Fur. Rep.		5.-		5.-

1. Bowman and Percy, "Prin. of Bookkeeping and Business." Adv. 269.

1 See Appendix page 104





## PETTY CASH SLIPS.

For the payment of petty cash items, a slip<sup>1</sup> is to be prepared by the one making payment. It will have written on it, The date, name of school, description of the item paid for, the amount, and the name of the payee.

These slips will be kept in the drawer with the petty cash until the fund requires replenishing, at which time the slips will be analyzed on a paper,<sup>2</sup> a Voucher Jacket prepared and registered in the Purchases or Expense Register.<sup>2</sup> The Voucher Jacket, together with the analysis sheet and petty cash slips will be presented to the Treasurer who will issue a check for the total amount of signed petty cash vouchers approved. The petty cash vouchers must be marked or punched in such a manner as to make them useless for future reimbursements.

If the Imprest Fund requires replenishing during the month, the Imprest Fund Book will be closed as follows: The balance of cash on hand will be written in the second column, a single line will be drawn on the line on which the amount of the balance is written, across all the money columns, and double lines on the next line below.<sup>3</sup> The totals of all money columns will be written on the double lines. The addition may be proved by the sum of all footings following

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1. Montgomery, "Auditing Theory and Practice." p. 342.

2. Bowman and Percy, "Prin. of Bookkeeping and Business." Adv. p. 313.

1 See Appendix page 105

2 See Appendix page 105

3 See Appendix page 104





the second column which will equal the footing of the second column minus the balance. When the double rulings are made, the balance written above them, should be entered on the line following the double lines and the amount placed in the first column.

An analysis sheet<sup>1</sup> will be prepared on which will be distributed the names of the accounts for which payments were made and the total applying to them. This sheet with the signed vouchers will then be given to the bookkeeper who will prepare a Voucher Jacket with the proper distribution and the total amount. When properly approved, the Treasurer will issue a check to be converted into currency and the Imprest Fund will then exhibit an amount equal to the first check issued, after the amount has been entered in the Imprest Fund Book.

This book must be balanced and analyzed at the end of every month whether the Fund requires replenishing or not. At that time, the Treasurer will issue a check in the usual manner.

1. *Deposited in words and figures, will be deposited*  
BANKING FOR STUDENTS.

If students deposit money with the privilege of withdrawing it on demand, a set of books should be provided for the recording of such transactions.

The cash received from the students should be deposited in a special account and some responsible

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1. Rittenhouse, "Elements of Accounts." p. 188.





person be appointed as trustee or agent, such person being bonded, if the amount held is of a considerable amount.

A cash book and a set of ledger cards will be sufficient to record those items.

A signature card on which is written the name of the school, the date, name and address of the student, and the name and address of the parent or guardian is to be prepared by the student, before a pass book is issued. The student must sign the card and it must be signed by the parent or guardian for approval.

There should be printed above the signatures. "

"The undersigned, in consideration of the service given us, donate to the -----Fund, the balance remaining on deposit for this account five years from the date on which this account is opened."

The number of the account will be written on the card.

When the student makes a deposit, a deposit slip<sup>2</sup> on which is written the account number, the date, item deposited in words and figures, will be prepared by the student who will present the slip with the amount to be deposited.

3.  
A three-column pass book having the name of the School, the account number, the name and address of the student, will be given to her when she makes the

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2. Rittenhouse, "Elements of Accounts." p. 190.  
3. " " " " p. 193.

1 See Appendix page 107  
2 See Appendix page 107  
3 See Appendix page 108





first deposit. office at the end of the school year.

A space will be provided for the date, nature of deposit, (currency or check), initials of the person receiving the money, and the amount will be placed in the first column; the same amount which at that time will be the balance, will also be entered in the third column. listed on the ledger card. If the balance does

When a student withdraws cash, a slip must be prepared containing the date, the account number, the amount in words and figures, the purpose for making the withdrawal, and the signature of the student. books

The amount withdrawn will be entered in the second column, and the balance at that time placed in the third column. as shown then, the calculation of

If the withdrawal slip is for a large amount, or if the student makes a practice of withdrawing money frequently, the cashier should inform the advisor of the student, who should discourage the careless use of money, if it is discovered the student is extravagant.

It will be printed on the pass books, that all pass books must be left in the school office on the first school day of each month for the purpose of verifying the balance. No withdrawals will be allowed after the first of each month, until the balance is verified; twenty-four hours being allowed for the purpose of verification. All pass books are to be left

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1. Rittenhouse, "Elements of Accounts." p. 191.

1 See Appendix page 107





in the school office at the end of the school year. Duplicate pass books to replace those lost, will be issued for the sum of two dollars each.

The office clerk will stamp verified on a line with the balance as of the last day of the preceding month, if the balance is in agreement with the balance as exhibited on the ledger card. If the balance does not agree, all transactions are to be verified by using the deposit and withdrawal slips, and the error located.

Duplicate pass books will have the word "Duplicate" written on them in a conspicuous place. Before a duplicate book is issued, a signed slip by the student should be worded thus, "In consideration of the issue of a Duplicate Pass Book with a balance of -----dollars, all rights and claims of the original pass book bearing this account number, are assigned to \_\_\_\_\_, Trustee.

The ledger card must be marked conspicuously, "Duplicate issued." A list of account numbers and names should be available for quick reference, for lost pass books, so that they may be taken, if presented, and kept by the Trustee.

The Cash Book having two columns will be used for the recording of the cash received and paid. It will contain a space for the date, the name of the





student, number of pass book, number of deposit slip, and the amount deposited, on the left-hand page.

The right-hand page will provide for the following: date, name of the student, number of pass book, number of withdrawal ticket and the amount.

A report will be made to the Treasurer every day, exhibiting the balance of cash at the beginning of the day, the total deposits, the total withdrawals, and the balance at the end of the day, also the amount of cash in the office and in the bank, which belongs to the students. At the end of every week, the bank pass book of the Trustee should be presented to the Treasurer with the daily report presented on that same day, and the Treasurer should verify the amount of cash in the office and not deposited at that time.

The Cash Book should be balanced at the end of each week and the balances of the ledger cards listed, so that it may be determined whether the cash book balance and the sum of the ledger card balances are in agreement.

may give a receipt for cash borrowed from the school

LEDGER CARDS.

The Ledger Cards for the students' bank accounts will have written on them, the number of the account, the date the account is opened, the student's name and





address, and the name and address of the parent or guardian.

From the deposit slip, will be entered on the credit side, the date of deposit, the kind of deposit, ticket number, and the amount.

The withdrawal slip will be used to record the debits and the date, number of the withdrawal slip and the amount will be recorded.

The balance of each account will be entered at the end of each week in short of the money column, on the credit side of the card. The balances will be listed at that time and the total compared with the Cash Book balance.

The student's advisor should examine the cards during each month and have a conference with those students who withdraw what seem to be excessive amounts. The conference should be of such a nature as will not encourage the students to withdraw their funds and deposit them in some outside bank.

If the Trustee of the students' cash has insufficient funds in the office to meet withdrawals, he may give a receipt for cash borrowed from the school cashier and at a later time return the amount to the school cashier. The receipt will be considered as a cash item while it is in the school cash drawer, but must be reported at the end of the day on the cash

400 Deferred Charges





report as a Receipt for Cash Loaned to Trustee.

# GENERAL LEDGER.<sup>1</sup>

The General Ledger<sup>1</sup> will be a bound book and will contain the following accounts:

- 100 Current Assets
- 101 Cash in Banks
- 102 Store Fund
- 103 Students' Accounts Receivable, Past
- 104 Students' Accounts Receivable, Current
- 105 Sundry Accounts Receivable
- 106 Notes Receivable
- 107 Reserve for Bad Debts
- 108 Inventory of Books
- 109 Inventory of Stationery
- 110 Sundry Inventories
  
- 200 Fixed Assets
- 201 Land Developed
- 202 Land Undeveloped
- 203 Building
- 204 General Equipment
  
- 300 Other Assets
- 301 Cash in Savings Banks
- 302 Securities
  
- 400 Deferred Charges

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1 See Appendix page 108





401 Insurance Prepaid School

402 Scholarships Junior School

403 Exchange for Cash

600 Current Liabilities

601 Accounts Payable

650 Taxes Accrued

651 Interest Accrued on Mortgage Payable

652 Interest Accrued on Debentures

700 Fixed Liabilities

701 Mortgages Payable

702 Debenture Bonds

800 Deferred Credits

801 Unearned Tuition

900 Net Worth

901 Funds for Endowments

902 Capital

903 Accumulated Profits

1001 Income and Expenses

1002 Loss and Gain

Z Income





Z1 Tuition---Senior School

Z2 Tuition---Junior School

23 Sundries

A General Administrative

A1 Pay Roll

A2 Office Supplies

### A3 Printing

A4 Business Service

A5 Telephone and Telegraph

A6 Postage

## A7 Donations and Gifts

A8 Travel

A9 Interest on Mortgages

A10 Interest on Debentures

All Interest on General Mortgage Bonds

A12 Interest on Bank Loans

A13 Liability Insurance

A14 Fire Insurance

A15 Life Insurance

A16 Sundry -- Woodland

B Buildings and Grounds

B1 Pay Roll 17-1-1945

B2 Lumber etc. and Groceries

B3 Hardware





- B4 Electricians
- B5 Paint
- B6 Plumbing
- B7 Wall Paper
- B8 Masonry
- B9 Tools
- B10 Roofs
- B11 Gardens, Lawns, and Walks
- B12 Tennis Courts
- B13 Stables
- B14 Fire Insurance
- B15 Taxes
- B16 New Work
- B17 Sundry
- C Heat, Light and Power
- C1 Pay Roll
- C2 Hard Coal
- C3 Soft Coal
- C4 Repairs--Main
- C5 Repairs--Woodland
- C6 Repairs--Houses
- C7 Gas
- C8 Electricity--Lamps
- C9 Oil, Waste, and Grease
- C10 Coke
- C11 Tools





C12 Sundry

D Dormitory

D1 Pay Roll

D2 Floor Covering

D3 Curtains and Shades

D4 Towels, Linens, and Supplies

D5 Mattresses, Quilts, and Blankets

D6 Paper, Soaps, Etc.

D7 Cleaning Tools

D8 Repairs to Furniture

D9 New Furniture

D10 Sundry

E Educational

E1 Pay Roll

E2 Printing

E3 Advertising

E4 Library

E5 Teachers' Supplies

E6 Lectures

E7 School Publications

E8 Repairs to Equipment

E9 New Equipment

E10 Fire Insurance

E11 Practice Kitchen

E12 Athletic Expense





E13 Athletic Supplies  
E14 Music  
E15 Sewing  
E16 Entertainments  
E17 Riding  
E18 Doctors and Nurses  
E19 Nurses' Supplies  
E20 Chemistry  
E21 Commencement Expenses  
E22 Sundry

F School Store  
F1 Pay Roll  
F2 Text Books  
F3 School Supplies  
F4 Candy  
F5 Foods  
F6 Jewelry  
F7 Writing Paper  
F8 Decorations  
F9 Souvenirs  
F10 Studio Supplies  
F11 Notions  
F12 Sundry

G Commissary  
G1 Pay Roll





- G2 Provisions
- G3 Supplies
- G4 Small Wares
- G5 Ice
- G6 Repairs
- G7 Paper Goods
- G8 Silver
- G9 Dishes
- G10 Linen
- G11 Sundry
- J0 Educational
- H Laundry
- H1 Pay Roll
- H2 Supplies
- H3 Repairs
- H4 Equipment
- H5 Outside
- H6 Damages
- H7 Summer Laundry
- H8 Sundry
- I Garage
- I1 Pay Roll
- I2 Gasolene
- I3 Tires
- I4 Repairs--Parts
- I15 Oil, Waste, and Grease





- I6 Tools 3 pages for each account in the 400 series
- I7 Insurance 3 pages for each account in the 500 series
- I8 Alcohol 3 pages for each account in the 600 series
- I9 Sundry 3 pages for each account in the 700 series
- J Employees' Goods 3 pages for each account in the 800 series
- J1 General Administrative account in the 1000 series
- J2 Buildings and Grounds account in the 2 series
- J3 Heat, Light, and Power 3 pages for controlling account A
- J4 Dormitory 3 pages for controlling account B
- J5 Educational 3 pages for controlling account C
- J6 Store 3 pages for controlling account D
- J7 Commissary 3 pages for controlling account E
- J8 Laundry 3 pages for controlling account F
- J9 Garage 3 pages for controlling account G
- J10 Sundry 3 pages for controlling account H
- Y Sundry Incomes 3 pages for each sundry income account
- S Sundry Expenses 3 pages for each sundry expense account

The number of pages to be allowed for the accounts is as follows:

- 3 pages for each account in the 100 series
- 3 pages for each account in the 200 series
- 3 pages for each account in the 300 series





3 pages for each account in the 400 series  
 3 pages for each account in the 500 series  
 3 pages for each account in the 600 series  
 1 page for each account in the 700 series  
 3 pages for each account in the 800 series  
 3 pages for each account in the 900 series  
 6 pages for each account in the 1000 series  
 6 pages for each account in the Z series  
 6 pages for Controlling account A  
 6 pages for controlling account B  
 6 pages for controlling account C  
 6 pages for controlling account D  
 6 pages for controlling account E  
 6 pages for controlling account F  
 6 pages for controlling account G  
 6 pages for controlling account H  
 6 pages for controlling account I  
 6 pages for controlling account J  
 3 pages for each sundry income account  
 3 pages for each sundry expense account.

#### CONTROLLING ACCOUNTS.'

The controlling accounts for Accounts Receivable, Accounts Payable, and the different Expense controlling accounts, should be examined carefully, before a Trial Balance is taken. There are usually items

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1. Kester, "Accounting Theory and Practice." p. 272.





other than the footings of the columnar books, which must be posted to these accounts, and one should be sure those individual items are posted. Therefore, when an amount is posted from the General column of any book of original entry to an account in the Subsidiary Ledger, be sure the same amount is posted to the Controlling Account.

The function of the Controlling Accounts follow:

#### ACCOUNTS RECEIVABLE / Journal.

Dr.

Cr.

The total footing in the first column of the Students' Charge Journal.

The total of the first column of the Cash Receipts Journal.

Individual items in the General Columns of the following books:

Individual items in the General Columns of the following books:

General Journal  
Purchases and Expense Register.

Total of the Accounts Receivable Column in the General Journal.

The balance of this account will be the amount due from debtors and is a Current Asset, in the Balance Sheet.

The total of the schedule of the balances of the accounts in the Accounts Receivable Ledger should be in agreement with the balance of the Accounts Receivable account in the General Ledger.





## VOUCHERS PAYABLE'

Dr.

Cr.

Total of the first column  
of the Cash Payments Journal.

Total of the Vouchers or  
Accounts Payable column of  
the General Journal.

Total of the first  
money column in the Pur-  
chases and Expense Regis-  
ter.

Individual items from  
the General column in the  
General Journal.

Individual items from  
the General column in  
the Cash Receipts Journal.

The balance of this account will be the amount  
due creditors, and should agree with the total of  
unpaid items in the Purchases and Charge Register.

## EXPENSE CONTROL ACCOUNTS

Dr.

Cr.

The total of the proper  
Expense column in the Pau-  
chases and Expense Register.

Individual amounts  
from the General columns  
of the following books:

Individual items in the  
General column in the Gen-  
eral Journal

General Journal  
Cash Receipts Journal  
Students' Charge Journal.

The balance of each Expense controlling account  
will show the total of that particular expense, and

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1. Bowman and Percy, "Prin. of Bookkeeping and Business." Adv. p. 308.





will agree with the total of the Schedule of the expense accounts under the proper title in the Expense Ledger.

The General Ledger will have in it, ten expense controlling accounts, from A to J inclusive. The Subsidiary Expense Ledger will have in it, the specific expense accounts.

#### SUBSIDIARY LEDGERS.

##### ACCOUNTS RECEIVABLE LEDGER.<sup>1</sup>

This will be a loose-leaf ledger<sup>1</sup> with the accounts arranged alphabetically. The individual amounts are to be posted to each account from all the journals.

Look for individual items of Accounts Receivable in the debit General column of the General Journal.

Be sure to post any Accounts Receivable items which may appear in the Purchases or Expense Register.

Be sure to post to this Ledger, the individual amounts when a journal entry is made which affects the controlling account.

Prepare a schedule of the balances of the accounts at the end of the month. The total should agree with the balance of the controlling account.

##### ACCOUNTS PAYABLE LEDGER.<sup>2</sup>

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1. Rittenhouse, "Elements of Accounts." p. 152.
  2. Bowman and Percy, "Prin. of Bookkeeping and Business." Adv. 2.

1 See Appendix page 109

2 See Appendix page 49





## ACCOUNTS PAYABLE LEDGER.

If this book is used, it will be a loose-leaf ledger with the accounts arranged alphabetically. The individual amounts will be posted to each account from the journals, including the Purchases and Expense Register.

Examine the Cash Receipts Journal, for individual items in the General column.

The General Journal may have individual accounts payable items in the General column.

Be sure to post to this Ledger, the individual amounts when a journal entry is made which affects the controlling account.

Prepare a schedule of the balances of the accounts at the end of the month. The total should agree with the balance of the controlling account, in the General Ledger.

## EXPENSE LEDGER.

The Expense Ledger will contain all the accounts having to do with the different departments from A to J inclusive.

This book may be a loose-leaf ledger and the accounts under each department be on pages headed with the name of the department, account number, the name of the account, and the pages arranged in numerical order in accordance with the number of the account.





The amounts posted to these accounts will be found in the Expense Distribution Book, and the General columns of the Cash Receipts and General Journals. The footings of the columns in the Expense Distribution Book having the same names as the accounts in the Expense Ledger, will be the amounts posted from that book. Individual items may be in the General columns in the General Journal and Cash Receipts Journal.

#### WARNING.

When individual amounts are posted to any accounts in the Expense Ledger from the General columns of the Journals, be sure a similar amount is posted to the controlling account in the General Ledger.

Be sure to post to this Ledger, the individual amounts when an adjusting, closing, or any other journal entry is made which affects the controlling account in the General Ledger.

A schedule of the accounts and their balances will be prepared each month, for each department and the total should agree with the balance of the controlling account in the General Ledger.

#### POSTING AND TRIAL BALANCE.

Posting is to be done daily, if possible.

At the end of each month, the debits and credits





will be totaled with lead pencil, writing very small figures under and very closely to the last amount in the debit and credit columns. The difference will be written in short of the money column, on the larger side.

A Trial Balance will be prepared from the balances written in short.

If the footings are not alike, re-add the two columns and if the difference is a multiple of two, the error may be the amount of the difference which was posted on one side of the Ledger and omitted on the other, or, one-half of the difference which was posted twice on the same side of the Ledger. Therefore, look for the whole amount or one-half of the amount.

When the difference is divisible by 9, it is possible a transposition of figures occurred at the time of posting. The amount of 45 divided by 9 is 5, hence look for an amount the difference between the unit and ten figure being 5, e. g., 16-61; 27-72; 38-83; 49-94. etc. The amount of 36 divided by 9 is 4. Look for an amount, the difference between the unit and ten being 4, e. g., 15-51; 26-62; 37-73; 48-84; 59-95. If the difference divided by 9 is 10, 20, 30, etc., look for an amount the difference between the ten and hundred being 1, 2, 3, etc., e. g., 120-210; 130-310; 140-410, etc.





A transplacement of figures will cause a difference between the trial balance footings which is divisible by 99. ~~the amount in the General Ledger as instructed~~

~~and~~ Divide by 9 and that answer by 11. An amount of 50 cents posted as \$50.-, will make a difference of \$49.50 which divided by 9 is \$5.50 and this amount divided by 11 is 50, hence look for 50 posted as cents or dollars. ~~may be opened, and an entry made in the Gen-~~

Too much time should not be devoted to locating an error by the application of the procedure stated above. If the error is not located within a short time, proceed as follows:

- 1- Re-add both columns of the trial balance.
2. Re-add both sides of the ledger accounts and check the amount with the Trial Balance amount.
3. Examine the General Journal and see to it that there is a debit for every credit amount. When an entry has two or more debits or two or more credits, add the amounts of that entry and place small pencil footings under and very close to the amount on either side. Then check the different amounts with those posted in the Ledger, placing a very small check mark on the double vertical ruling at the left of the amounts in both books.





Examine the other books of original entry, so as to be sure there are equal debits for credits, and check the amounts in the General Ledger as instructed above. If the checking is done carefully, the error will be located.

During a busy period, it might be inconvenient to check the different items, in which case a Suspense account may be opened, and an entry made in the General Journal to either debit or credit this account for the difference between the footings of the Trial Balance. However, the error should be located as soon as possible, as it is a bad practice to employ a Suspense account for this purpose, and when the error is located, an entry reverse to the one made to open the account, should be entered in the General Journal.

#### THE BANK PASS BOOK.

The Bank Pass Book will be kept in the office of the Treasurer and no deposits will be made without presenting this book to the bank at the time of making the deposit.

#### MONTHLY STATEMENTS FROM CREDITORS.

The mail clerk will present to the Treasurer all monthly statements received from creditors. This will enable him to note any items which should receive his

1. Hittchcock, "Elements of Arithmetic," p. 44.

2. Hester, "Accounting Theory and Practice," p. 191.











attention. After the Treasurer has examined them, the statements will be returned to the mail clerk who will compare the items unpaid with the Purchases and Expense Register, and report to the Treasurer any discrepancy.

#### BILLS.

A monthly report of unpaid tuition due over thirty days must be presented to the Treasurer, by the book-keeper, and this report must be verified by the mail clerk before being presented. The Treasurer will also receive a statement, at the beginning of the school year, exhibiting the number of students registered and the tuition charges. All subsequent charges must be reported promptly, so that he may have a complete record of the total charges to all students.

A report of payments by students together with any allowances made, will enable the Treasurer to compute the amount due from that source of income.

Each instructor will present a report directly to the Treasurer, on the last school day of each month, a list of the names of the students reporting for instruction, during the month.

#### NEW AND DISCARDED ITEMS.

Whenever a new item is purchased, the person in charge of a department must present a report describing





it to the Treasurer. If an item is sold or discarded, it must be reported. The department head will keep an inventory book in which will be recorded a clear description of articles possessed by his department. A list of items in the possession of each department must be reported at the beginning, middle, and end of the school year.

An Inventory Book in the office of the Treasurer will have a section provided for each department and the items reported in possession of the department heads at any time must be in agreement with the Inventory Book in the Treasurer's office.

#### RECEIPTS FOR ITEMS LOANED.

It frequently happens that property such as papers, or other items, is loaned within the institution or to outsiders. In such cases a receipt<sup>1</sup> should be signed by the person who is the receiver and a record made in a book known as the Articles Loaned Book.<sup>2</sup>

A space should be provided in this book for the date the item is loaned, name of the borrower, description of the article, the date it is returned, and the name of the person who received it when it was returned.

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1 See Appendix page 106

2 See Appendix page 106





## ADJUSTING AND CLOSING THE BOOKS.

The Treasurer will report the inventories to the bookkeeper, at the end of each fiscal period. He will provide also a list of the securities and other items owned by the institution with their values. In addition, information will be given concerning the rate of depreciation of the different items, and any other information necessary to adjust the different accounts.

## WORKING SHEET.

The Working Sheet<sup>1</sup> will have twelve columns. The trial balance before adjusting will be written in the first two columns; the adjustments necessary will be entered in the third and fourth columns; the trial balance after adjustments, in the fifth and sixth columns; the educational costs and income, in the seventh and eighth columns; expenses or losses and income and gains from sources other than students, in the ninth and tenth columns; assets or deferred items and liabilities, capital, and surplus, in the eleventh and twelfth columns.

The educational costs column will have entered in it, all costs or expenses which are necessary to provide the students with instruction, board and room, recreation, etc., for which they are charged

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<sup>1</sup> See Appendix page 110  
1. Bowman and Percy, "Prin. of Bookkeeping and Business." Adv. p. 139.





or which may be provided to them by the institution without charge. The educational income column will have entered in it, all income received from students from such source as is charged in the educational costs column. The balance of the two columns will exhibit the Net Educational Profit, if the sum of the eighth column is greater, or the Educational Loss, if the seventh column is greater. This difference, if a gain, will be entered in the seventh and tenth columns; if a loss, in the eighth and ninth columns.

All expenses or losses not directly related to educational income, will be entered in the ninth column and income or gains not related to educational income, will be entered in the tenth column. If the total of the tenth column (including the educational income), is greater than the total of the ninth, the Net Profit will be entered in the ninth and twelfth columns, or if the total of the ninth column is greater, the Net Loss will be entered in the tenth and eleventh columns.

The adjusting and closing entries as well as the Profit and Loss 'Statement' and Balance Sheet<sup>2</sup> may be prepared from the completed Working Sheet.

#### PROMISSORY NOTE REGISTER.

All promissory notes received will be entered

1 See page 93

2 See page 90





in this register,<sup>1</sup> which provides for the date of entry, date of the note, number, time, name of payee, name of maker, name of endorser, where payable, the amount, due date, when payment is to be made, the amount paid, interest rate, and the book and page number where payment is recorded.

The total amount of the notes unpaid should agree with the balance of the Notes Receivable account in the General Ledger.

All promissory notes to be paid by the institution will be recorded in a section provided in the Note Register.<sup>2</sup> Space will be provided for the date of entry, the date of the note, number, time, name of payee, name of maker, where payable, interest rate, the amount, due date, when payment is made, the amount paid, and the book and page number where payment is recorded.

#### SECURITIES REGISTER:

One section of this Register<sup>3</sup> is for the recording of stocks and another section for the recording of bonds. The stock section provides for the date of entry, the date of issue, number, name of the company, kind of security, name of person to whom issued, endorser, number of shares, par value, total par value, amount paid, and book and page number where payment is recorded.

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1 See Appendix page 111  
 2 See Appendix page 112  
 3 See Appendix page 114





The section provided for bonds will provide for the date of entry, the date of issue, number, name of company, to whom issued, name of endorser, number of bonds, value of bonds, amount paid, when due, when paid and the book and page number in which payment is recorded. Provision is made to distribute the amortization or accumulation amounts which are to be adjusted to the interest income account, at the end of each month, if monthly statements are prepared, or at such time when statements are prepared.

When any securities are paid for or sold, a line will be drawn on the line above and the line below the amount of amortization or accumulation provided for the particular security, so that item will not be considered when making adjusting entries, after the security has been disposed of.

#### INSURANCE REGISTER.

The Insurance Register<sup>1</sup> will be used for the registration of all insurance policies, whether for fire, theft, auto, or for bonding employees.

A space will be provided for the current date, date of the policy, number of the policy, name of the insurance company, item insured, amount covered by the policy, date of expiration, journal and page number where payment is recorded, amount paid for the

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1 See Appendix page 113





policy, and distribution columns for the amount paid.

When a policy expires, a line will be drawn on the line above and the line below the amount of the monthly charge, so that item will not be considered when making adjusting entries.

At the end of the fiscal period, a schedule of the policies unexpired will be prepared, and the sum of their values will agree with the balance of the Insurance Prepaid account.

#### DEPARTMENTAL INSTRUCTIONS.

The forms for this purpose will be, one white for general orders, and one blue for emergency orders.

The instructions or orders will be written in duplicate, the original sent to the department head and the duplicate to be filed in the office for reference. A task which requires immediate attention will be written on the blue form.

The forms must be signed and returned to the office, when the service requested has received the attention of the proper person.

#### PAY ROLL.

Department pay roll sheets will have recorded on them the name of each employee of the department and the hours of service each day. This will be done by the department head who will sign the sheet





and deliver it to the office within twelve hours after the end of the weekly work period. All money items will be written on the sheets, in the office.

The pay roll will be prepared and the pay envelopes distributed forty-eight hours after the weekly work period ends.

Checks should be issued whenever possible for the payment of salaries and wages.

AN ENTRY WILL BE MADE IN THE CASH BOOK FOR THE STORE.

The store will be conducted for the convenience of students, and will provide supplies, confectionery, jewelry, etc.

All sales will be for cash.

Whenever a sale is made, the amount will be entered on a sales sheet kept near the cash register. The sales sheet will have a column for each classification and at the end of the day, the columns will be totaled which amounts will be recorded in the columnar book to be used for the recording of sales.

The columns will provide for the following: Text books, school supplies, candy, foods, jewelry, writing paper, decorations, souvenirs, studio supplies, notions, and sundries.

The columnar book for recording the daily sales, will have a total column and that will be followed by





columns headed by the names of the particular classification of the items sold.'

At the end of the week, the columns of the book will be totaled, a single line to be drawn above the totals and double rulings on the line where the totals are written.

A report will be prepared for the Treasurer, at the end of each week.

An entry will be made in the cash book for the amount of total sales, when the report and cash have been received from the manager of the store.

A weekly statement will be prepared as shown on the following page.

Merchandise	
Total Sales	
Return-Cost of Sales	
Inventory, Beginning of Week	
Add- Purchases	
Less- Ret. Pur.	
Total Purchases	
Add- Receiving Expenses	
Total Cost of Net Purchases	
Total Cost of Goods	
Less- Inventory, End of Week	
Cost of Sales	
Gross Profit on Sales	





## SPECIMEN INSTITUTION STATEMENT

## STATEMENT OF STORE

SPECIMEN INSTITUTION Week Ended-Date

Sales: The department heads will report the inventories

of Text Books, A schedule of \*\*\*\*\* will

be School Supplies, column most of \*\*\*\*\*

line Candy be used for each department, \*\*\*\*\*

will Foods added as follows: \*\*\*\*\*

The Jewelry of the beginning of the \*\*\*\*\* period;

second Writing Paper end of the fiscal \*\*\*\*\* third,

add Decorations tional Costs; fourth, \*\*\*\*\*

Educ Studio Supplies \*\*\*\*\*

Notions column will be for the \*\*\*\*\*

rest Sundries at the beginning of the \*\*\*\*\* period.

Total Sales for the inventory value at the end of \*\*\*\*\*

Deduct-Cost of Sales: third will be for the differ-

ence Inventory, Beginning of week \*\*\*\*\*

Add- Purchases \*\*\*\*\*

and will be Less-Ret. Pur. \*\*\*\*\*

Department Net Purchases \*\*\*\*\*

second column Add- Receiving \*\*\*\*\*

Expenses \*\*\*\*\*

Total Cost of Net Purchases \*\*\*\*\*

Total Cost of Goods \*\*\*\*\*

Less- Inventory, End of Week \*\*\*\*\*

Cost of Sales \*\*\*\*\*

Gross Profit on Sales \*\*\*\*\*

The different items which make up the department

inventories, will be listed on a paper ruled similar

to that described above, one line to be entered for

1. Amount and "Buy," "Exp." of purchasing and

2. See page 73 A





## SPECIMEN ENTRIES AND STATEMENTS.

SPECIMEN ADJUSTING ENTRIES.<sup>1</sup>

The department heads will report the inventories of their departments. A schedule of inventories<sup>2</sup> will be prepared on a four-column sheet of paper. One line will be used for each department, and the columns will be headed as follows:

The first, date of the beginning of the fiscal period; second, date of the end of the fiscal period; third, addition to Educational Costs; fourth, deduction from Educational costs.

The first column will be for the amount of inventory value at the beginning of the fiscal period. The second for the inventory value at the end of the fiscal period. The third will be for the difference between the amounts in the first and second columns, if the amount in the first column is greater, and will be added to the Educational Costs of each department. The difference between the first and second columns will be entered in the fourth column, if the amount of the second column is greater and will be deducted from the Educational Costs of each department.

The different items which make up the department inventories, will be listed on a paper ruled similar to that described above, one item to be entered on

---

1. Bowman and Percy, "Prin. of Bookkeeping and Business." Adv. p. 132.

2. See page 75 A

not clear - inventories classified





# Inventory Adjustment Schedule

## December 31, 1934.

Department	Jan. 1, 1934	Dec. 31, 1934	Invy. Cr. Dept. Dr.	Invy. Dr. Dept. Cr.
Dept. A	2000-	1500-	500-	
" B	500-	600-		100-
" C	300-	700-		400-
" D	4000-	3500-	500-	
" E	500-	400-	100-	
" F	600-	800-		200-
" G	3100-	2500-	600-	
" H	1700-	2000-		300-
" I	1500-	1800-		300-
" J	700-	900-		200-
Department Total	14900-	14700-	1700-	1500-

Inventory, Department A

Inventory, Department B

Inventory, Department C

Inventory, Department D

Inventory, Department E

To transfer the difference  
between the inventory values  
for the beginning and ending  
dates of the fiscal  
period, ending—Date.  
Detailed items for Subsidiary Ledger as Dept.  
Inventory Sheet.





each line, the total being transferred to the summary sheet described.

Assuming Departments A, B, C, D, and E to have balances entered in the third column, and Departments F, G, H, I, and J to have balances in the fourth column, the adjusting entries will be:

	Dr.	Cr.
Department A	*****	
Department B	*****	
Department C	*****	
Department D	*****	
Department E	*****	
Inventory, Department A		*****
Inventory, Department B		*****
Inventory, Department C		*****
Inventory, Department D		*****
Inventory, Department E		*****

To transfer the difference  
between the inventory value  
for the beginning and end-  
ing dates of the fiscal  
period, ending---Date.

Detailed items for Sub-  
sidiary Ledger on Dept.  
Inventory Sheet.





	Dr.	Cr.
Inventory, Department F	*****	
Inventory, Department G	*****	
Inventory, Department H	*****	
Inventory, Department I	*****	
Inventory, Department J	*****	
Department F		*****
Department G		*****
Department H		*****
Department I		*****
Department J		*****

To transfer the difference between the inventory values for the beginning and ending dates of the fiscal period, ending--- Date.

Detailed items for the  
Subsidiary Ledger on the  
Dept. Inventory Sheet.

Interest will be computed for the interest-bearing notes unpaid, as recorded in the Note Register.

A schedule will be prepared, having columns for:  
Interest accrued on notes payable, interest accrued on mortgages payable, interest accrued on bonds payable, interest accrued on notes receivable,





interest accrued on debenture bonds, interest accrued on other securities, interest accrued on bank balances.

For the interest accrued, make the following entries:

	Dr.	Cr.
Interest on Notes Payable	*****	
Interest Accrued on Notes Payable		*****
To record the accrued interest		
on Notes payable as of Date.		
*****		
Interest on Mortgage Payable	*****	
Interest Accrued on Mortgage Pay.		*****
To record the accrued interest		
on mortgages payable		
as of---Date.		
*****		
Interest on Bonds Payable	*****	
Interest Accrued on Bonds Payable		*****
To record the accrued interest		
on Bonds Payable as of Date.		
*****		
<p>If bonds were sold at a premium or discount, an entry should be made for the proper amount of premium or discount which should be applied to this period. Interest on bonds will be credited, if the bonds were sold at premium, and debited, if they were sold at a discount.</p>		





	Dr.	Cr.
Interest Accrued on Notes Receivable	*****	
Interest on Notes Receivable		*****
To record the accrued interest on Notes Receivable as of ---Date.		
	*****	
Interest Accrued on Debenture Bonds	*****	
Interest on Debenture Bonds		*****
To record the accrued interest on Debenture Bonds as of ---Date.		
	*****	
<p>If the bonds were bought at a premium or discount, an entry should be made for the proper amount of premium or discount which should be applied to this period. Interest on Debenture Bonds will be debited, if the bonds were bought at a premium, and credited, if bought at a discount.</p>		
Interest Accrued on Securities	*****	
Interest on Securities		*****
To record accrued interest on other securities as of ---Date		
	*****	
Interest Accrued on Bank Balances	*****	
Interest on Bank Balances		*****
To record the interest accrued on bank balances as of--pate.		
	*****	





The cost of taxes will be distributed to the different departments and will be accrued between the date of assessment and the date of payment. The taxes will be prepaid from the date of payment to the following date of assessment. It will be necessary to make the following entry, if the taxes are prepaid:

	Dr.	Cr.
Department A	*****	
Department B	*****	
Department C	*****	
Department D	*****	
Department E	*****	
Department F	*****	
Department G	*****	
Department H	*****	
Department I	*****	
Department J	*****	
Taxes Prepaid		*****

To charge the different departments for the proper proportion of taxes expired for the fiscal period ending---- Date

\*\*\*\*\*

If the taxes are accrued, make the following entry:

Department A	*****	
Department B	*****	
Department C	*****	
Department D	*****	





	Dr.	Cr.
Department E	*****	
Department F	*****	
Department G	*****	
Department H	*****	
Department I	*****	
Department J	*****	
Taxes Accrued		*****

To charge the different departments for the proper proportion of tax expense which has accrued to ----Date.

\*\*\*\*\*

The amount of insurance expired, will be distributed as follows:

	Dr.	Cr.
Department A	*****	
Department B	*****	
Department C	*****	
Department D	*****	
Department E	*****	
Department F	*****	
Department G	*****	
Department H	*****	
Department I	*****	
Department J	*****	
Insurance Prepaid		*****

To charge the different departments for their proportion of





insurance expense for the

period ending---Date.

\*\*\*\*\*

The depreciation charge will be made as follows:

	Dr.	Cr.
Department A	*****	
Department B	*****	
Department C	*****	
Department D	*****	
Department E	*****	
Department F	*****	
Department G	*****	
Department H	*****	
Department I	*****	
Department J	*****	
Reserve for Depreciation of Build'g		*****
Reserve for Depreciation of Equip.		*****
To provide for the depreciation of fixed depreciating assets for the period ending--- Date.		
*****		
Doubtful Accounts	*****	
Reserve for Uncollectible Accounts		*****
To provide for the estimated uncollectible accounts and notes as of Date.		
*****		
Unearned Tuition	*****	
Tuition Earned		*****
To transfer to the income		





account, the amount of tuition  
earned during the fiscal period  
ending--- Date.

# SPECIMEN CLOSING ENTRIES.

Tuition Earned \*\*\*\*\*

Educational Cost and Income \*\*\*\*\*

To close the Tuition Earned  
account and transfer the

balance to the Educational  
Cost and Income account, for  
the fiscal period ending

-----Date.  
\*\*\*\*\*

Educational Cost and Income \*\*\*\*\*

Department A \*\*\*\*\*

Department B \*\*\*\*\*

Department C \*\*\*\*\*

Department D \*\*\*\*\*

Department E \*\*\*\*\*

Department F \*\*\*\*\*

Department G \*\*\*\*\*

Department H \*\*\*\*\*

Department I \*\*\*\*\*

Department J \*\*\*\*\*

To close the accounts of Education-  
al costs and transfer the balances  
to the Educational Cost and Income





Loss and account, for the fiscal period

ending----Date.

Educational Cost and Income

Dr.  
\*\*\*\*\*

Cr.

Loss and Gain

\*\*\*\*\*

To close the Educational Cost

and Income account and transfer

the Net Income from Educational

Service to the Loss and Gain

account--- Date.

\*\*\*\*\*

Receipts from Store \*\*\*\*\*

Discount on Purchases \*\*\*\*\*

Special Parties \*\*\*\*\*

Rent Receivable Income \*\*\*\*\*

Sales to Employees \*\*\*\*\*

Board and Provisions \*\*\*\*\*

Telephone and Telegrams \*\*\*\*\*

Interest on Notes Receivable \*\*\*\*\*

Interest on Securities \*\*\*\*\*

Interest on Debentures \*\*\*\*\*

Interest on Bank Deposits \*\*\*\*\*

Loss and Gain

\*\*\*\*\*

To close the sundry income

accounts and transfer the

balances to the Loss and

Gain account, for the fiscal

period ending----Date





	Dr.	Cr.
Loss and Gain	*****	
Claims and Adjustments Payable		*****
Employees Goods Payable		*****
Interest on Notes Payable		*****
Interest on Mortgages Payable		*****
Interest on Bonds Payable		*****

To close the sundry expense for  
accounts and transfer the  
balances to the Loss and  
Gain account, for the fiscal  
period ending-----Date.  
\*\*\*\*\*

Loss and Gain \*\*\*\*\*

Accumulated Profits \*\*\*\*\*

To transfer the balance of the  
Loss and Gain account, or net  
profit for the period, to the  
Accumulated Profit account.  
\*\*\*\*\*

Interest on Bonds Payable

To reverse the adjusting entry  
for interest accrued on bonds  
payable, the interest on bonds  
payable account to be used for  
current bond payable interest  
items.

Interest on Notes Payable





## SPECIMEN REVERSING ENTRIES.

	Dr.	Cr.
Interest Accrued on Notes Payable	*****	

Interest on Notes Payable		*****
---------------------------	--	-------

To reverse the adjusting entry for interest accrued on notes payable, the interest on notes payable account to be used for current notes payable interest items.

	*****	
Interest Accrued on Mortgage Payable	*****	

Interest on Mortgage Payable		*****
------------------------------	--	-------

To reverse the adjusting entry for interest accrued on mortgages payable, the interest on mortgages payable account to be used for current mortgage payable interest items.

	*****	
Interest Accrued on Bonds Payable	*****	

Interest on Bonds Payable		*****
---------------------------	--	-------

To reverse the adjusting entry for interest accrued on bonds payable, the interest on bonds payable account to be used for current bond payable interest items.

	*****	
Interest on Notes Receivable		





Interest on Notes Receivable	Dr. *****	Cr.
Interest Accrued on Notes Receivable		*****
<p>To reverse the adjusting entry for interest accrued on notes receivable, the interest on notes receivable account to be used for current notes receivable interest items.</p> <p>*****</p>		
Interest on Debenture Bonds	*****	
Interest Accrued on Debenture Bonds		*****
<p>To reverse the adjusting entry for interest accrued on debenture bonds, the interest on debenture bonds account to be used for current debenture bond interest items.</p> <p>*****</p>		
Interest on Securities	*****	
Interest Accrued on Securities		*****
<p>To reverse the adjusting entry for interest accrued on securities, the interest on securities account to be used for current securities interest items.</p> <p>*****</p>		
Interest on Bank Balances	*****	
Interest Accrued on Bank Balances		*****
<p>To reverse the adjusting entry</p>		





for interest accrued on bank balances, the interest on bank balances account to be used for current bank balance interest items.

#### DEPARTMENTAL GRAPHS.

Bar graphs will be prepared for the different department heads each month. They will be prepared on a per cent basis, the money values will not be stated. A duplicate of the graphs will be given to the Treasurer. The Department Heads may study the graphs and know whether they are operating efficiently.

The name of each month will be written at the bottom of the graph and the per cent of expense applicable to that department, in accordance with the budget allowance, will be shown by a white bar, the actual expenses to be indicated by a filled bar. The bars will be made relative to the normal costs as computed by a careful study of expenditures for the particular department, over a period of time. The budget allowance will be considered as normal and equal to 100 per cent, and whenever the filled bar is longer than the white one, it will indicate that the department has expended more than it should.

The Treasurer will see to it that the department expenses do not exceed the budget allowances.





The graph prepared for the Executive Board will have lines of different types and colors to indicate the costs of each department. The initial of each month will be written at the bottom of each vertical line, and the figures representing the amounts at the left-hand side of the graph.

The departments having expenses for each month of the year will have continuous lines while those departments which do not have expenses during the time the institution is closed, will be indicated by lines which will have a gap between the months when those departments are active.

The graphs prepared to show the yearly variations of enrollment will have the number of the year written at the bottom of the vertical lines and at the left-hand side of the graph, will be written the number of pupils enrolled. The graph line will indicate the increase and decrease of the yearly enrollment.

The income variations will be shown by a graph having the year number written at the bottom of each vertical line and the amounts in thousands of dollars will be written at the left-hand side of the graph.

Capital variations will be exhibited by a graph having the year number written at the bottom of each vertical line and the amounts in thousands of dollars will be written at the left-hand side of the graph.

- 
- 1 See page 117
  - 2 See page 118
  - 3 See page 119.





A disc graph will exhibit how the income for each year is distributed. The name and letter of each department will be written on the outer band of the disc and the amount in dollars on the inner rim.

McGraw-Hill Book Co., Inc.

Bowman and Perry,

Principles of Bookkeeping and Business,  
Elementary Course.

American Book Co.

Bowman and Perry,

Principles of Bookkeeping and Business,  
Advanced Course.

American Book Co.

Calver and Swisher,

Systems, Installation in Accounting.

Burrell, Snow, Inc.

Corden and Lockwood,

Modern Accounting Systems.

John Wiley and Sons, Inc.

Roy A. Kester,

Advanced Accounting.

Ronald Press Co.

Charles W. Gerstenberg,

Financial Organization and Management.

Prentice-Hall, Inc.

Robert H. Montgomery,

Auditing, Theory and Practice.

The Ronald Press.





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The Ronald Press.





## CONCLUSION

The financial management of a private school should receive the same kind of attention as that given to any business enterprise. Many proprietors of the private schools, have little or no knowledge of accountancy and in many instances assign the business recording and financing of their enterprise to some one who possesses only a knowledge of bookkeeping.

The result is that their system of accounting is lacking to a certain extent. It is essential to attain the greatest degree of success, that one study past operations and anticipate possible future conditions, in order to plan efficiently.

Financial records scientifically made together with statistical information must be available for the use of the present and future entrepreneur who aims to meet successfully competition in his particular field.

If the subject of this thesis has been treated in a way that will lead others to a further study, so that accountancy as applied to the administration of private schools will receive a contribution of value, the writer will consider that his efforts have not been in vain.





BALANCE SHEETOCTOBER 1, 1934.ASSETSCASH:

In Banks \$64,000.-  
In Store Fund 500.- \$64,500.-

NOTES AND ACCOUNTS RECEIVABLE:

Students' Rec.--Past 3,000.-  
Students' Rec.--Current 18,000.-  
Other Accounts Receivable 100.-  
Notes Receivable 3,000.-  
24,100.-  
6,000.- 18,100.-

Less-Reserve for Bad Acc.

INVENTORIES:

On Hand July 1, 1934 9,000.-

TOTAL CURRENT ASSETSENDOWMENT FUND ASSETS:Cash:

In Gen'l Bank Accounts 23,000.-  
In Savings Banks 12,000.-  
35,000.-

Securities:

Debenture Bonds 40,000.-  
Other Listed Securities 22,000.-  
62,000.- 97,000.-

FIXED ASSETS:

Real Estate 360,000.-  
General Equipment 115,400.-  
475,400.-  
Less- Reserve for Dep. 122,000.- 353,400.-  
Woodland Owned 28,000.-

DEFERRED CHARGES:

Insurance Prepaid 3,600.-  
Scholarships 3,800.- 7,400.-

TOTAL ASSETS

\$577,400.-

LIABILITIESCURRENT LIABILITIES:

Accounts Payable \$ 7,600.-  
Taxes Accrued 600.-  
Int. Accrued on Mtgs. Pay. 1,000.-  
Int. Acc'd on Debentures 600.- \$ 9,800.-

FIXED LIABILITIES:

Mortgages Payable 155,400.-  
Debenture Bonds 68,000.- 223,400.-

DEFERRED CREDITS TO INCOME:

Unearned Tuition 44,600.-

NET WORTH:

Funds for Endowment 98,600.-  
Capital-Balance 7/1/34 190,000.-  
Add-Net Profit for 3 mos. 11,000.- 299,600.-

TOTAL LIABILITIES

\$577,400.-





COMPARATIVE BALANCE SHEET FOR THREE MONTHS ENDING SEPT. 30, 1932, 1933, and 1934.

	1932	1933	1934.
<u>CASH:</u>			
In Banks	\$ 95,000.-	\$ 69,000.-	\$ 64,500.-
<u>NOTES AND ACCOUNTS RECEIVABLE:</u>			
Students' Accts. Receivable	12,000.-	20,200.-	21,000.-
Other Accounts Receivable	470.-	700.-	100.-
Notes Receivable	2,850.-	1,900.-	3,000.-
	15,320.-	22,800.-	24,100
	7,400.-	6,300.-	6,000.-
	7,920.-	16,500.-	18,100.-
<u>INVENTORIES:</u>			
On Hand July 1,	9,900.-	9,000.-	9,000.-
<u>TOTAL CURRENT ASSETS</u>	112,820.-	94,500.-	91,600.-
<u>ENDOWMENT FUND ASSETS:</u>			
<u>Cash:</u>			
In General Bank Accounts	13,000.-	19,800.-	23,000.-
In Savings Bank	11,600.-	12,000.-	12,000.-
	24,600.-	31,800.-	35,000.-
<u>Securities:</u>			
Debenture Bonds	40,000.-	40,000.-	40,000.-
Other Listed Securities	26,000.-	22,000.-	22,000.-
	66,000.-	62,000.-	62,000.-
	90,600.-	93,800.-	97,000.-
<u>TOTAL ENDOWMENT FUND ASSETS</u>			
<u>FIXED ASSETS:</u>			
Real Estate	360,000	350,000.-	360,000.-
General Equipment	115,000.-	115,000.-	115,400.-
	475,000.-	465,000.-	475,400.-
	120,000.-	120,000.-	122,000.-
	355,000.-	345,000.-	353,400.-
	11,000.-	27,000.-	28,000.-
Less--Reserve for Depreciation			
Woodland Owned			
DEFERRED CHARGES:			
Prepaid Expenses	7,000.-	7,800.-	7,400.-
<u>TOTAL ASSETS</u>	\$ 576,420.-	\$ 568,100.-	\$ 577,400.-





COMPARATIVE BALANCE SHEET FOR THREE MONTHS ENDING SEPT. 31, 1932, 1933, and 1934.

<u>LIABILITIES</u>	<u>1932</u>	<u>1933</u>	<u>1934</u>
<u>CURRENT LIABILITIES:</u>			
Accounts Payable	\$ 20,000.-	\$ 7,000.-	\$ 7,600.-
Accrued Expenses	3,000.-	2,900.-	2,200.-
	<u>23,000.-</u>	<u>9,900.-</u>	<u>9,800.-</u>
<u>FIXED LIABILITIES:</u>			
Debenture Bonds	68,000.-	68,000.-	68,000.-
Mortgages Payable	160,000.-	158,000.-	155,400.-
	<u>228,000.-</u>	<u>226,000.-</u>	<u>223,400.-</u>
<u>DEFERRED CREDITS:</u>			
Unearned Tuition	<u>48,000.-</u>	<u>43,000.-</u>	<u>44,600.-</u>
<u>NET WORTH:</u>			
Funds for Endowment	92,000.-	95,000.-	98,600.-
Capital-Balance 7/1	182,000.-	190,000.-	190,000.-
Add- Net Profit for 3 mos. Ending 9/30	12,000.-	14,000.-	11,000.-
	<u>286,000.-</u>	<u>299,000.-</u>	<u>299,600.-</u>
<u>TOTAL LIABILITIES AND NET WORTH</u>	<u>\$585,000.-</u>	<u>\$577,900.-</u>	<u>\$577,400.-</u>





OPERATING STATEMENT FOR THREE MONTHS ENDING SEPTEMBER, 1934.

TUITION EARNED:

Senior School	\$42,200.-	
Junior School	<u>2,000.-</u>	\$44,000.-

EXTRAS EARNED:

Senior School	3.-	
Junior School	<u>12.-</u>	15.-

TOTAL TUITION AND EXTRAS EARNED

44,015.-

Deduct- OPERATING CHARGES:

MAINTENANCE OF DEPARTMENTS:

General Administrative	7,000.-
Buildings and Grounds	6,000.-
Heat, Light, and Power	4,000.-
Dormitory	2,000.-
Education	9,000.-
Store	3,000.-
Commissary	6,000.-
Laundry	500.-
Garage	<u>600.-</u>

TOTAL OPERATING CHARGES

38,100.-

NET OPERATING PROFIT

5,915.-

Add- OTHER INCOME:

Receipts from Store	1,000.-
Discount on Purchases	200.-
Special Parties	5,000.-
Rent Receivable	300.-
Sales to Employees	360.-
Miscellaneous Income	350.-
Board and Provisions	150.-
Telephone and Telegraph	180.-
Interest on Notes Receivable	<u>20.-</u>

TOTAL OTHER INCOME

7,560.-

TOTAL OPERATING PROFIT

13,475.-

Deduct- OTHER CHARGES:

Claims and Adjustments	100.-
Employees' Goods	<u>400.-</u>

TOTAL OTHER CHARGES

500.-

NET PROFIT FOR THREE MONTHS ENDING 9/30/34.

\$12,975.-





## COMPARATIVE OPERATING STATEMENT FOR THREE MONTHS ENDING SEPT. 30, '34.

	<u>1932</u>	<u>1933</u>	<u>1934</u>
<u>TUITION EARNED:</u>			
Senior School	\$45,000.-	\$40,000	\$42,000.-
Junior School	2,000.-	2,100.-	2,000.-
<u>TOTAL</u>	<u>47,000.-</u>	<u>42,100</u>	<u>44,000.-</u>
<u>EXTRAS EARNED:</u>			
Senior School	160.-		3.-
Junior School	18.-		12.-
<u>TOTAL</u>	<u>178.-</u>		<u>15.-</u>
<u>TOTAL TUITION AND EXTRAS EARNED</u>	<u>47,178.-</u>	<u>42,100.-</u>	<u>44,015.-</u>
<u>Deduct- OPERATING CHARGES:</u>			
<u>MAINTENANCE OF DEPARTMENTS:</u>			
General Administrative	7,400.-	7,500.-	7,000.-
Buildings and Grounds	3,600.-	3,900.-	6,000.-
Heat, Light, and Power	3,900.-	3,100.-	4,000.-
Dormitory	2,600.-	3,150.-	2,000.-
Education	17,900.-	9,100.-	9,000.-
Store	3,300	2,400.-	3,000.-
Commissary	6,700.-	5,200.-	6,000.-
Laundry	600.-	600.-	500.-
Garage	615.-	650.-	600.-
<u>TOTAL OPERATING CHARGES</u>	<u>46,615.-</u>	<u>35,600.-</u>	<u>38,100.-</u>
<u>NET OPERATING PROFIT</u>	<u>563.-</u>	<u>6,500.-</u>	<u>5,915.-</u>
<u>Add- OTHER INCOME:</u>			
Receipts from Store	700.-	500.-	1,000.-
Discount on Purchases	100.-	150.-	200.-
Special Parties	8,200.-	5,000.-	5,000.-
Rent Receivable	400.-	500.-	300.-
Sales to Employees	200.-	150.-	360.-
Interest on Notes Receivable	100.-	8.-	20.-
Miscellaneous Income	300.-	200.-	350.-
Other Interest Received	200.-	400.-	---
Board and Provisions	100.-	100.-	150.-
Telephone and Telegraph	200.-	100.-	180.-
School Magazine	5.-	4.-	---
<u>TOTAL OTHER INCOME</u>	<u>10,505.-</u>	<u>7,112.-</u>	<u>7,560.-</u>
<u>TOTAL OPERATING PROFIT</u>	<u>11,068.-</u>	<u>13,612.-</u>	<u>13,475.-</u>
<u>Deduct- OTHER CHARGES:</u>			
Claims and Adjustments	3.-	5.-	100.-
Employees Goods	260.-	190.-	400.-
<u>TOTAL OTHER CHARGES</u>	<u>263.-</u>	<u>195.-</u>	<u>500.-</u>
<u>NET PROFIT FOR THREE MONTHS</u>			
<u>ENDING SEPTEMBER 30, 1934.</u>	<u>\$10,805.-</u>	<u>\$13,417.-</u>	<u>\$12,975.-</u>





# General Journal

Jan. 1, 1935

Accts Pay	General	Lt.	Acct. + Explanation	Lt.	General	Accts Rec.
			Endowment Fund:			
	60 000-		Cash			
	30 000-		Securities			
	30 000-		Land			
	10 000		Woodland			
	200 000-		Buildings			
			As Endowment		330 000 -	
			To record the assets for the establishment of the School in accordance with will of Mr. A.			
		2				
	300-		General Equipment			
			Alice Jones			300-
			To credit the student for used truck in lieu of tuition			
	10-		Special Parties			
			Sunshine Club			10-
			For allowance because of overcharge, Jan. 5, 1935.			
		3				
	20-		Miscellaneous Income			
			John Fall		20-	
			For allowance on hay purchased June 25, 1934			
150-			City Supply Co.			
			Notes Payable		150-	
			Gave them our 30-day note bearing interest at 6%, for amount due Jan. 1, 1935			
150-	330330-				330170-	310-





# Students' Charge Slip

No. 96,

School

Boston Mass

Name Mary Hill,

Address Hull, Mass.

Date Sept. 1, 1934.

Parent John Hill

		Tuition - First Semester	150-		
		Board and Room	240-		
		Supplies	40-	430-	

L. G. Harris, Dept. D.

Student's Signature Mary Hill

Requisition

No. 1

Dept. W - Supplies

School

Boston Mass

To Good Elect. Co.

Date Jan. 4, 1935.

68 Broadway, Boston, Mass.

Deliver at once.

		1 Maytag Washing Machine			

Name W. H. Wallis,

Dept. Fund W.

Anna Dunn





# Students Charge Journal

Date	Acct.	Total	Duction	Room	Meals	Music	Exgrm.	Indus	Medical	Riding	Sewing	Books	Supplies	Chemistry	Hand
1934															
Sept. 1	Mary Hill	430-	150-	240-									40-		
1	Alice Hall	500-	150-	300-						10-		20-	20-		
1	Nolan Triff	600-	150-	275-		50-	50-		15-	10-	50-				
30	Alice Brown	2													2
	Dr. Garage-fee.														
		1531-	450-	815-		50-	50-		15-	20-	50-	20-	60-		97

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Order

No. 98

School  
Boston Mass

To. Good Elect. Co.,

68 Broadway, Boston, Mass.

Deliver To. School

Address Boston, Mass.

When at once

Terms 30 days - dis. 2% to

Date Jan. 1, 1935

Ship via. Your truck

Requisition No. 1-H Sept.

1 Maytag Washing Machine

Approved. W. Allen

School.  
by John Jones

Receiving Slip

No. 1

School  
Boston Mass

From Good Elect. Co.

Date Jan. 3, 1935

68 Broadway, Boston, Mass.

Requisition No. 1-H Sept.

1 Maytag Washing Machine

Deft. Head. T. Tele

Received by M. A. Jackson





Voucher Jacket

No. 1 99

School  
Boston Mass.

To. Good Elect. Co.

68 Broadway, Boston, Mass. Date Jan. 1, 1935

Terms 30 days - 2%

Order No. 1

Due Feb. 2, 1935

1935 Jan. 3.	1	Martag Washing Machine	1.50	-	

M. J. Noone, Bookkeeper

W. H. Rich, Treas.

Date Paid Feb. 2, 1935. No. 1

To. Good Elect. Co.,

68 Broadway, Boston, Mass.

<u>Amt</u>	1.50	-
<u>Discount</u>	3	-
<u>Check No.</u>	147	-

<u>No. of</u> <u>Exp.</u>	<u>Distribution</u>	<u>Amt.</u>
N.	Equipment	1.50 -





Voucher Register

[illegible]





# Expense Distribution

## A. General Administrative

Date	Reg. No.	Total	1	2	3	4	5	6	7	8	9	10
1935			Reg. Roll	Official	Printing	Books	Vol. 1	Postage	Travel	Directives	on	Adm. Subst.
Jan. 12	1	235-	200-	35-								
16	2	500-			75-	75-	20	20-		100-	210-	
20	3	150-							75-			75-
24	4	400-		50-	50-						300-	
		1285-	200-	85	125	75-	20-	20-	75-	100-	510-	75-











# Cash Payments

Date	Acct.	Voucher		Debit	Net Payments	Ch'd	Bank		Balance
		No	Voucher Pay.				Deficit	Checks	
Jan. 1							60 000 -		60 000 -
2	W. H. Davis	248	500 -	10 -	490 -				
2	N. W. Lee	254	600 -	15 -	585 -			10 75 -	58 925 -
3	J. J. Hall	255	300 -		300 -			3 00 -	58 625 -
4	N. J. Jones	256	400 -	10 -	390 -			3 90 -	58 235 -
10	W. J. Jackson	257	1200 -		1200 -		5000 -	12 00 -	62 035 -
12	L. Lewis	258	2800 -		2800 -		5890 -	28 00 -	65 125 -
15	N. Harvey	259	500 -	10 -	490 -		2085 -	4 90 -	66 720 -
16	N. Mason	260	200 -	4 -	196 -		145 -	1 96 -	66 624 -
			6500 -	49	6451		28120	6458 -	66669





# Petty Cash

Date	Explanation	Ref	Rec'd	Paid	Distribution			
					Postage	Express	Travel	Sundry
1935								
Jan. 1	Fund Check # 21		100-					
	1 Postmaster	86		15-	15-			
	2 City Express Co.	82		50-		50-		
	2 N. Drew - Window Washer	116		2-				2-
	3 L. Lewis - Printing	83		10-				10-
	5 J. Hollis - to N.Y.	87		10-			10-	
	8 J. Jones	89		5-		5-		
	Receipts		100-		15-	55-	10-	12-
	Payments			92-				
	Balance			8-				
			100-	100-				
1935								
Jan. 8	Balance		8-					
	8 Fund Check		92-					

















Deposit		Acct. No. 1	
School			
Boston Mass.			
Name Mary Dunn			
Date Jan. 1, 1935.			
	Item	Amt.	
1935			
Jan. 1	Five dollars, Cash	5-	
	Twenty-five dollars, Check	25-	

Withdrawal		Acct. No. 1	
School			
Boston Mass.			
Name Mary Dunn			
Date Jan. 1, 1935.			
	Item	Amt.	
1935			
Jan. 10	Six dollars, cash	6-	

### Signature Card

School		Acct. No. 1
Boston Mass.		
Name Mary Dunn.		Date Jan. 1, 1935
Address 60 Green St., Boston, Mass.		
In consideration, etc.		
Student Mary Dunn		
Parent. Mr. Dunn		





Acc. No. 1.108

Name Mary Dunn

Date			Deposit	Withdrawn	Balance	Date			Deposit	Withdrawn	Balance
1924											
Jan.	1	Cash	30-		30-						
	10	Cash		6-	24-						

Cash  
General Ledger

1935		1935	
Jan. 31	61 60 000 -	Jan. 31	61 10 000 -
Feb. 18	62 75 500 -	Feb. 28	62 15 500 -
Mar. 31	63 25 000 -	Mar. 31	63 12 000 -
Apr. 30	64 15 500 -	Apr. 30	64 9 500 -
May 31	65 10 000 -	May 31	65 14 000 -
June 30	66 5 000 -	June 30	66 10 000 -
July 31	67 8 000 -	July 31	67 3 000 -
Aug. 31	68 9 950 -	Aug. 31	68 2 500 -
Sept. 30	69 20 000 -	Sept. 30	69 11 000 -
Oct. 31	610 40 000 -	Oct. 31	610 12 500 -
Nov. 30	611 30 000 -	Nov. 30	611 10 000 -
Dec. 31	612 21 500 -	Dec. 31	612 12 000 -
		Dec. 31	Balance
	320 450 -		198 450
			320 450 -





Mary Lee.  
Accounts Receivable Ledger

109

Date		Terms	Dr	Cr	Balance
1934 Jan 1			Dr 350-		350-
6			Cr	50-	300-
20			Dr 54-		354-

Inventory Book

Date	Item	No.	Cost	Residual Value	Am't. Depreciated	Yrs.	Monthly Depreciation	Yearly Depreciation
1934 Jan 1	5 Desks	15	375-	50-	325-	10	271	3250
6	1 Office Safe	6	200-	10-	190-	10	159	19-
20	1 Truck	8 7	600-	60-	540-	5	9-	108-





# Working Sheet, December 31, 1934.

Account	Real Balance	Adjustments	Adjusted Balance	Real Balance	Educational Costs	Income	Profit & Loss	Assets	Liabilities & Capital
Cash	20,000-		20,000-					20,000-	
Accounts Receivable	16,000-		16,000-					16,000-	
Notes Receivable	2,000-		2,000-					2,000-	
Inventories	11,000-	① 1,000-	10,000-					10,000-	
Endowment Funds	330,000-		330,000-					330,000-	
Land	30,000-		30,000-					30,000-	
Buildings	200,000-		200,000-					200,000-	
Accounts Payable	5,000-	② 120,000-	125,000-	5,000-					5,000-
Deferred Credit - Unearned Tuition	140,000-		140,000-	140,000-					140,000-
Reserves	5,000-	③ 4,000-	9,000-	170,000-					170,000-
Dept. A. - Gen. Administrative	20,000-	④ 500-	20,500-		20,500-				
Dept. B. - Building & Grounds	10,000-	⑤ 4,000-	14,000-		13,900-				
Dept. C. - Heat, Light & Power	5,500-	⑥ 400-	5,900-		5,100-				
Dept. D. - Dormitory	6,000-	⑦ 500-	6,500-		6,500-				
Dept. E. - Educational	30,000-	⑧ 100-	30,100-		30,100-				
Dept. F. - Store	3,000-		3,000-		2,800-				
Dept. G. - Commissary	2,800-	⑨ 600-	3,400-		2,500-				
Tuition Earned				155,000-		155,000-			
Interest Earned				16,500-			16,500-		
Capital Funds				504,000-					504,000-
Net Educational Income									
Net Profit									
	708,500-	708,500	708,500	712,500	155,000	155,000	67,000-	608,000-	608,000





# Notes Receivable Register.

Date	Maker	Payee or Endorsee	Where Payable	S. N. No.	Date			Face	Date Paid	Interest	Bank
					Time	Mo.	Day				
Jan. 1 1935	H. Harris	Ourselves	City Nat. Bank	1	30 d.	Jan.	1	1935	Jan. 11 1935	2.50	5025
" 8 1935	John & Davis	Ourselves	Lee Trust Co.	2	7 m.	Jan.	6	1935	Feb. 4 1935	1.79	179
" 10 1935	Wm. Smith	Ourselves	City Nat. Bank	3	60 d.	Jan.	8	1935	Mar. 9 1935	6.00	600





# Notes Payable Register

Date	Maker	Favor of	For What Given	Rate of Note	Time	Date Due	Rate	Face	Interest	End. Bal.
Jan. 1, 1935	Ourselves	John Allen	Supplies	Jan. 1, 1935	2 m.	Mar. 1, 1935	same	500-		500-
Jan. 10	Ourselves	W. H. Bean	Truck	Jan. 10, 1935	30 d.	Feb. 9, 1935	6%	900-	450	904.50
Jan. 15	Ourselves	L. Laurence	Furniture	Jan. 15, 1935	1 m.	Feb. 15, 1935	6%	500-	250	502.50





## Insurance Policy Register

Date	Policies to	Name of Company	Property Insured	No. of Policy	Expires	Am't of Policy	Cost of Policy	Time	Monthly Cost
1935 Jan. 2	1935 Jan. 1	Mass Fire Ins Co.	Building	106889	Jan. 1 1935	20,000 -	40 -	3 yrs	1.11
" 6	Jan 5	Standard Fire Ins Co.	Furniture & fixtures	302441	Jan. 5 1935	10,000 -	20 -	3 yrs	56 <sup>46</sup> / <sub>100</sub>
" 20	Jan 15	Moore Fire & Marine Ins Co.	Truck	118226	Jan. 15 1936	5,000 -	60 -	1 yr	5 - <sup>50</sup> / <sub>100</sub>



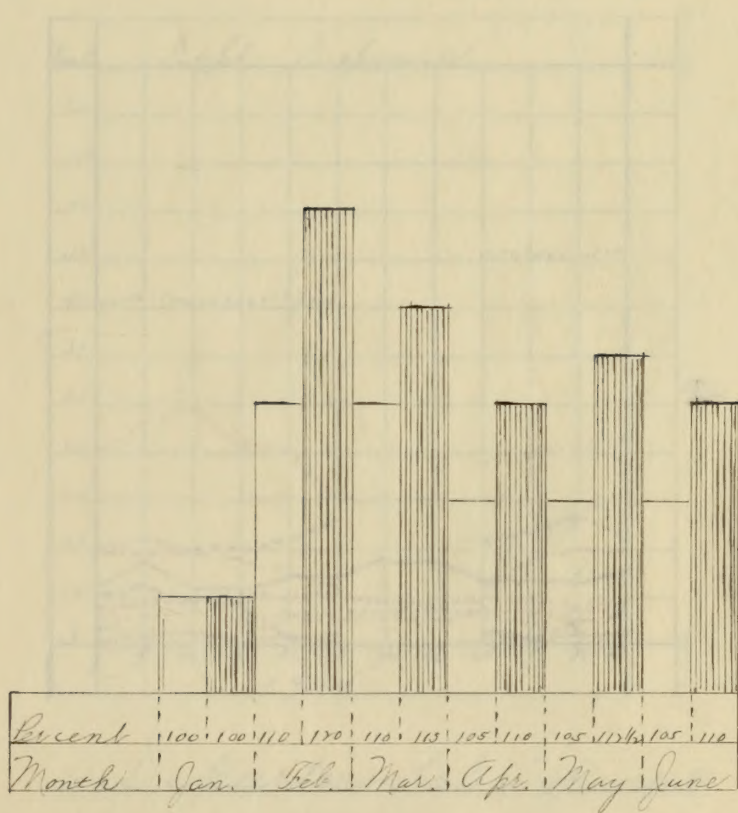


# Securities Register

Entry Date	Date Due	Name of Company	Nature of Security	Est. Paid Va. Bonds	Total Paid	Am. Paid	Am. Paid	Monthly Accum. Bonds	Monthly Accum. Bonds	Date Paid
1935										
Jan. 1	July, 1935	U. S. Foundries	10 yrs. Bond	1886 3	1000-	3012-	12-	2-	July 1	1935
"	Jan. 1, 1935	Town of Ware	20 yrs. Bond	6112 10	1000-	10200-	200-	84		
Feb. 1	Jan. 1, 1935	Town of Lee	10 yrs. Bond	2115 10	1000-	9800-	200-	168		



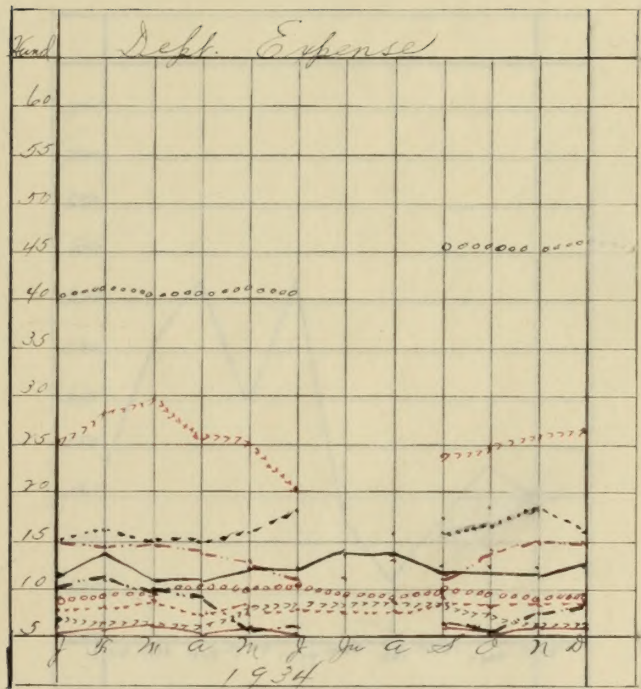




Normal Actual  
 Department A Expense





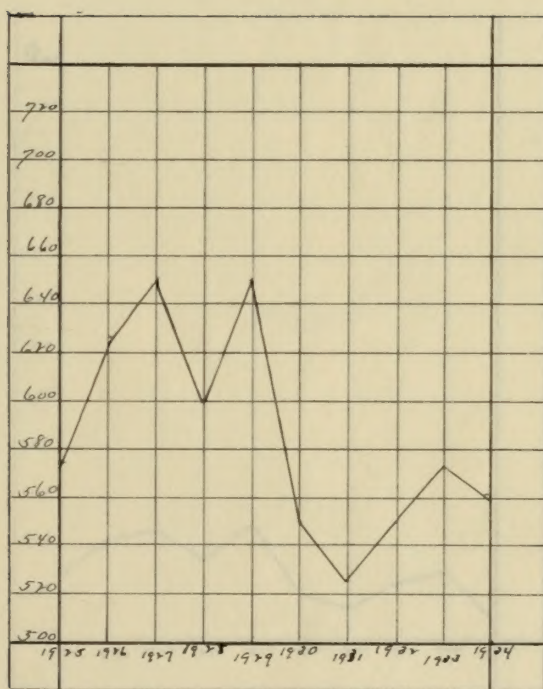


Departmental Expenses

Dept.	A	—
Dept.	B	77777
Dept.	C	— — — — —
Dept.	D	— — — — —
Dept.	E	000000
Dept.	F	—
Dept.	G	777777
Dept.	H	— — — — —
Dept.	I	— — — — —
Dept.	J	000000



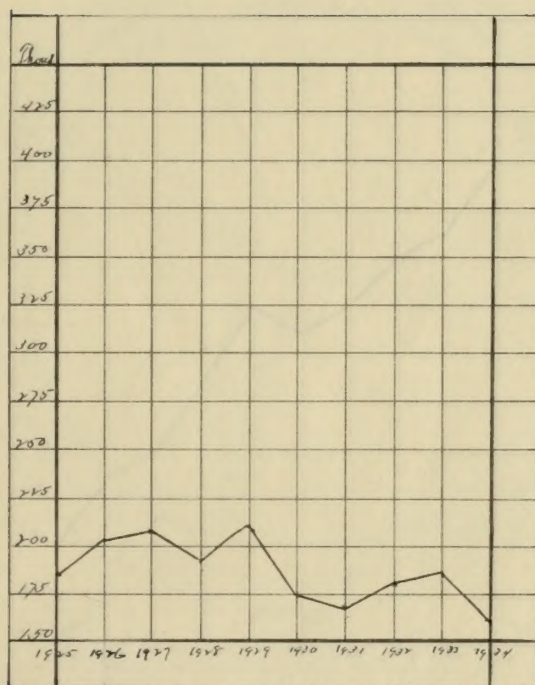




*Variations in Enrollment*  
1925-1934.



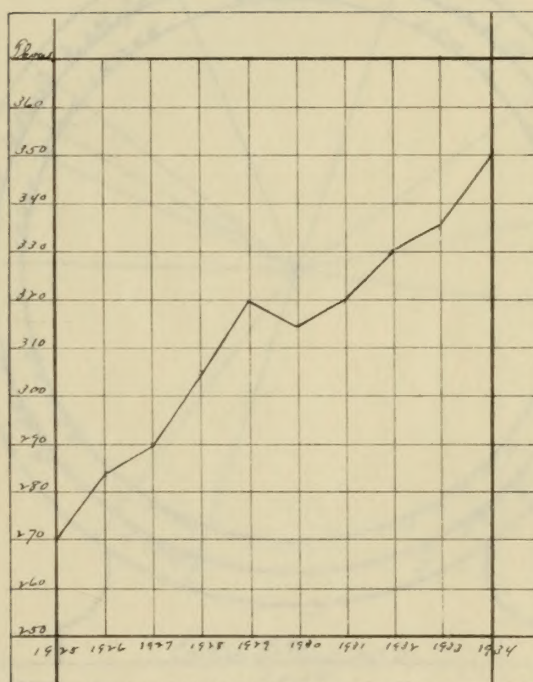




Variations in Income  
1925-1934.



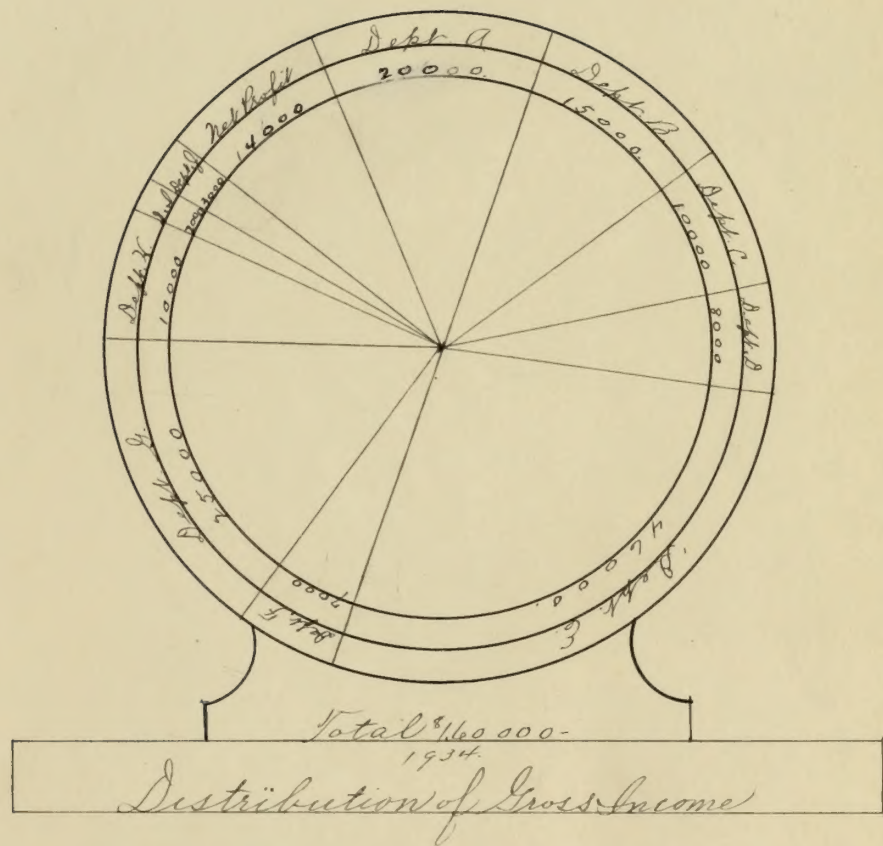




*Variations in Capital*  
1925-1934

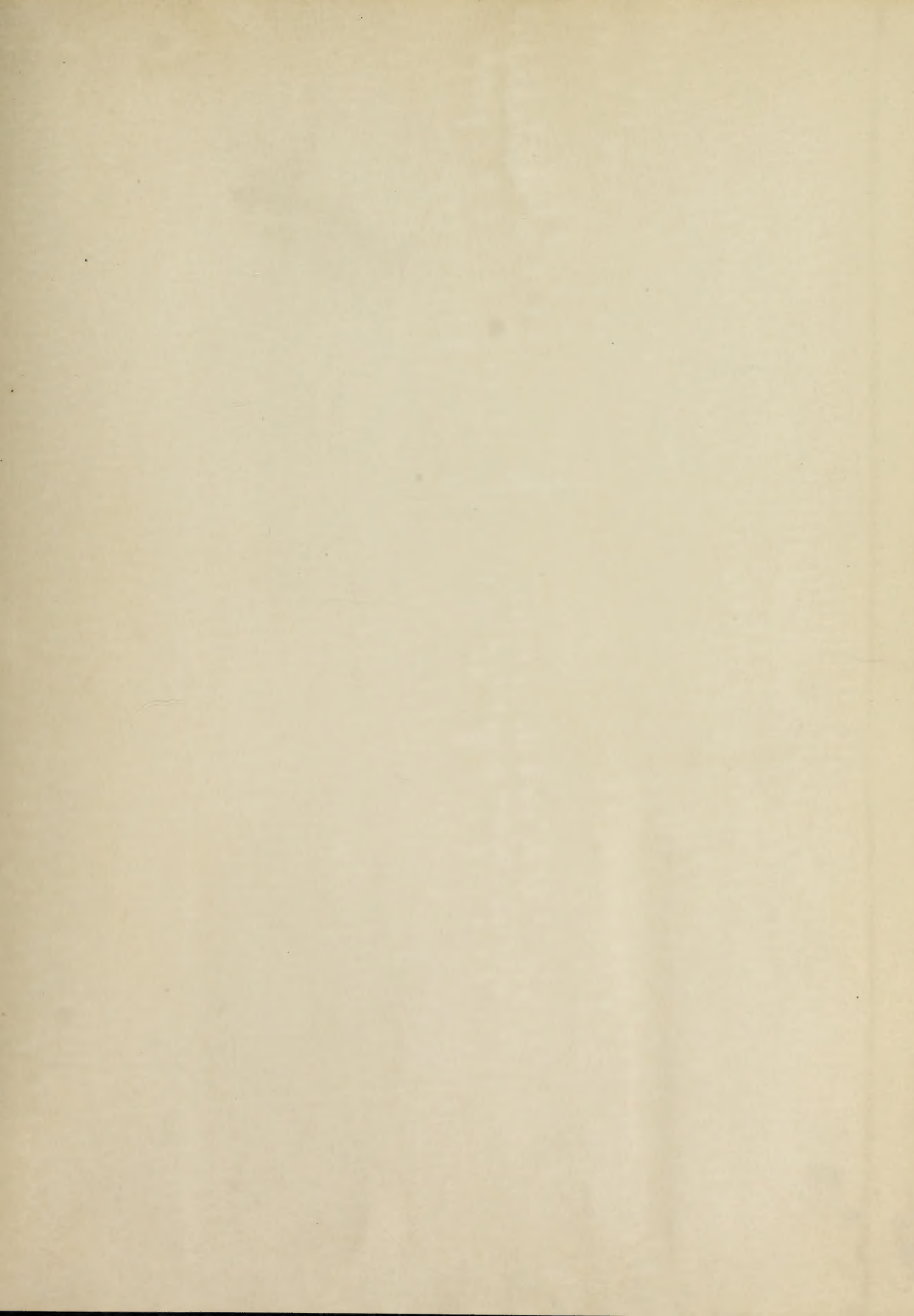












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